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Marketing advantage. II. New ideas on getting and keeping clients

American Institute of Certified Public Accountants. PCPS Management of an Accounting Practice Committee

THE MARKETING ADVANTAGE II

AICPA

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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New Ideas on Getting and Keeping Clients

Issued by the PCPS Management of an Accounting Practice Committee

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PREFACE

When *The Marketing Advantage: How to Get and Keep the Clients You Want* was published in 1994, the editor, contributing authors, members of the Management of an Accounting Practice Committee, and AICPA staff felt that they had covered the topic of marketing an accounting firm as completely as possible. At the same time, they realized that innovations in marketing accounting firms are continuous. As a result, a list of topics for a follow-up publication was started almost immediately. *The Marketing Advantage II: New Ideas on Getting and Keeping Clients* is the result of that list.

The Marketing Advantage II is divided into two sections. Section I, "Getting Started," covers issues that affect a firm's marketing plan—personal marketing plans, client services plans, marketing a specialization, budget and tracking marketing efforts, and marketing a multioffice firm. Section II, "Marketing Tactics: When, Why, and How," covers tools to help the "firm's ability to identify, woo, and win clients"—creating a firm video, in-house communications, telemarketing, and marketing on the Internet.

We hope you will find this book a helpful companion to *The Marketing Advantage*.

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GETTING STARTED

CHAPTER 1

DEVELOPING A PERSONAL MARKETING PLAN

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INTRODUCTION

If you are a CPA in public practice, and you have happy clients who send you business, you already have—and use—a personal marketing plan. After all, that's what a personal marketing plan is for: keeping clients; keeping clients happy; and getting new clients as time goes by.

In fact, you probably know a lot more about personal marketing than you realize. And you probably "do" some kind of marketing every day without realizing it. The following are some examples.

- You work to improve your knowledge of a difficult business topic, so that you can do a better job of advising your client.
- You stay late in the office one day so you can be sure to meet a client's deadline.
- You please a client so much, he or she refers a colleague to you.
- You want to show your client his or her faith in you has not been misplaced, so you are very conscientious in following up with referrals.

Still, you may have thought from time to time that if you could just be a little bit more disciplined about the process, a little bit more focused, you might be able to grow your book of business a little bit faster.

That's probably true. And that's what this chapter is intended to accomplish: helping you set your foundation, develop some focus, then follow through.

This chapter is made up of three sections. The section entitled "Foundation," gives you some key questions you should ask yourself before starting to shape a personal marketing plan. In "Focus," you'll learn how to craft a personal marketing plan. Finally, in "Follow-Through," you'll get some suggestions on how to make sure you actually implement the plan you've developed.

FOUNDATION

There are three important questions you need to ask yourself before you create a personal marketing plan. They are addressed in the following sections.

Question No. 1: Is this a good time for you to work on a personal marketing plan?

If you are very happy with your current practice, or even basically content with it, you are not likely to have sufficient motivation to follow through on a personal marketing plan. This is particularly true if your plan ends up focusing on new business development. After all, if you are basically satisfied with your practice the way it is right now, you probably should leave well enough alone.

On the other hand, if you are so fortunate as to find yourself in this situation, you may want to develop a personal marketing plan that focuses on maintenance. The goals in this plan might be centered on taking good care of the business you have already built, rather than chasing off after even more. But you, like every CPA, should recognize that clients die, sell out, or leave for unexpected reasons. Consequently, regardless of your current practice, a marketing plan is necessary just to maintain the status quo.

If you are very preoccupied with personal matters, you may also find that this is not a good time to develop a marketing plan. The birth of a child, a death in the family, or a similarly intense experience will probably absorb all the energy you have. And, frankly, personal marketing takes quite a bit of energy and drive. Again, if you have time to devote to marketing at all, you should probably focus on client maintenance in order to avoid any erosion in the practice you have already built.

Question No. 2: Do you have sufficient motivation to follow through?

Be honest with yourself. What will drive you, daily, to action? There must be some desire or profound dissatisfaction that fuels the discipline in your approach. It can be anything: the desire to take home a bigger paycheck; the desire to show your managing partner you are "better" than the others; a promise to yourself that you can take that special vacation if you hit your targets, or the satisfaction that comes from knowing you will be much more secure if you can expand your practice.

In any case, the motivation must be strong. It must be in your mind each and every day, or you will soon set aside your plan.

Question No. 3: Are you realistic?

Are you going into the planning process with a healthy dose of realism about what you can expect to accomplish? A well-crafted personal marketing plan takes into consideration the following three factors.

1. *Market conditions*. You should go into the plan development process with a clear-eyed understanding of your marketplace. Do you understand how much demand there is for the service(s) you offer? How much competition are you likely to face? And finally, is the market likely to change at any time soon?
2. *Time available*. Assuming this is a good time for you to be working on a personal marketing plan, there is still the issue of how many hours you can devote to the process. Many CPAs keep elaborate time budgets and know how many hours they will spend in client billable work, firm administration, CPE, vacation, and so on. Unfortunately, they rarely budget hours for marketing, or if they do, the hours they allocate to the effort are those "left over" after everything else is done. This approach is probably not realistic. Successful CPAs know they need to budget at least three hundred hours a year to marketing, and they need to be as strict with themselves about this time as they are about billable hours.
3. *Turnaround time and outcomes*. Do you have a good feeling for how long it takes to acquire a new client? Are you aware of how long it takes to build a personal referral source machine? A number of clients have told me that they have spent years building relationships that later (sometimes as long as five to seven years later) resulted in very powerful referrals. When you think about the work it takes to build a really successful practice, you must think in terms of months and years, not days and weeks.

FOCUS

In any effective personal marketing plan, there are five points of focus. They are the following, and we'll go over each one in turn:

1. Strengthening competencies
2. Client management and development
3. Eliciting referrals from clients
4. Developing nonclient referral sources
5. Meeting with prospects and developing them into clients

Focal Point No. 1: Strengthening Competencies

There's a great movie in which the lead character hears a voice tell him, "If you build it, they will come."

The same goes for you, as a CPA as you think about what you really have to do to keep existing clients and attract new ones. You will discover that there is no substitute for being able to offer them the strategies and solutions they need, and for being able to communicate in ways that are effective and meaningful.

That's why any sound personal marketing plan has goals relating to strengthening technical proficiency, building human relations skills, improving consultative selling abilities, and gaining a better understanding of market forces. The following list gives a more detailed view of each of these goal areas:

- *Technical proficiency*. As a CPA, you could easily spend forty hours each year taking courses to help you stay abreast of new laws, regulations, and trends in your area of practice. But this might not be enough. The world is changing, your clients' businesses are changing, and so are their consulting needs. To make your proficiency a marketing-oriented goal, you need to keep an eye on your clients' emerging service needs, then think strategically about what you will need to know in order to serve them better in the years to come.
- *Human relations*. Your clients don't just want your technical competency, they want your sympathy and your empathy. Everyone should take at least one course each year in the subject areas of listening, communicating, and understanding personality types.
- *Consultative selling*. Although technical proficiency and human relations skills are critical to effective practice development, they may not always be enough. Today's business owners are much more discriminating buyers, and they have a wide array of organizations they can choose to work with. Your ability to uncover a prospective client's critical issues and needs and to demonstrate how your services could translate into powerful solutions to those needs could make the difference between getting or not getting the client.
- *Market forces*. You may not be able to take a class on this subject, but you can and should read voraciously in the fields that affect your clients' businesses. This could include general business publications such as the *Wall Street Journal* and *Business Week*. Many industries have trade associations, which publish excellent periodicals that cover industry trends.

Focal Point No. 2: Client Management and Development

After strengthening competencies, the next most important issue to focus on is how you deliver your services to your clients. The reasoning is twofold. First, you have to be able to offer a service that people want. Second, you need to offer it in a way that they find desirable. Think of the hamburger chain whose jingle for years was, "Have it your way. . . ."

There are six dimensions to client management and development. They are service delivery; identifying unmet service needs; building advisory relationships; showing appreciation; resolving problems, and staying in touch. The following list gives a more detailed view of each of these goal areas:

1. *Service delivery*. Great service delivery boils down to questioning clients closely about their requirements, underpromising and overdelivering, and then asking for feedback. Sounds simple, doesn't it? And yet, so many CPAs and consultants simply assume that the clients' service desires and expectations are self-evident. This is not always the case. For example, a number of clients view great service as everything you would expect to do for them, plus a weekly "just checking" phone call. For that one act a week, you could translate a customer into a client for life. But how will you know, unless you ask them? Take the time to sit down with each key client and ask them how they define great service. Take careful notes, then tailor your service delivery process to their requirements.
2. *Identifying unmet service needs*. Your best clients are some other CPA's best prospective clients. If a sales-savvy competitor calls on your client, the first thing he or she will do is attempt to identify a service need that you have not met. Don't wait for a competitor to discover your client has an unmet service need. Find it yourself, first.

   The following are the two steps to finding out whether or not your clients have unmet needs.

   a. *Prepare a truth chart*. Prepare a spreadsheet, as shown below, with the name of each client in column A, and the names of your services along the heads of columns B, C, and so on.

Client Truth Chart

Client Name	Service A	Service B	Service C	Service D
Crosby			X	
Pimentel			X	X
Roberts			X	
Moffitt				X
Delucchi			X	X
Mason-Smith				

Then, evaluate each client in the following way.
— If you already provide a particular service to a client, shade in the appropriate box.
— If you know that the service might be appropriate, place a check in the box.
— If you are fairly certain the service would not be relevant, leave the box blank.

By the way, you don't have to restrict this analysis to the services you are already capable of providing. In fact, if there are service capabilities you have been thinking about adding to your practice, including them in this analysis of existing client needs might offer you some strategic insight.

b. *Schedule a sales call.* Once you've identified clients with unmet needs, the next step is essentially to schedule a sales call, or to set aside a few minutes in your next service meeting with the client, to go over this matter. Don't assume that just because you have concluded that a client needs one of your services that the client will be ready to buy. (If life were only that easy!) Instead, you must engage in the same kind of consultative sales process that you would with any prospective client.

You may be thinking that all this effort might not be worthwhile. (After all, would your clients really have that many needs you had not yet identified?) But consider what it would cost you to replace a great client. Industry statistics indicate that it costs a CPA firm nearly seven times more to replace a client than to keep one.

3. *Building advisory relationships.* If you can establish an advisory (as opposed to a purely service) relationship with your client, you will improve your chances for making the relationship strong and enduring. Being an advisor means extending your interest in and concern about the clients' welfare beyond the scope of your profession and discipline. It means treating the client, the client's business, and the client's family as though they were your own (within the bounds of professional ethics, of course). And it means thinking of yourself as a personal friend.
4. *Showing appreciation.* Very few professional consultants remember to say "thank you" to their clients. After all, your clients have a choice about whether or not to work with you. Showing your appreciation that they continue to make the choice to work with you can only help to strengthen your ties. There are dozens of ways you can show your appreciation. The following are a few.
   — Send a "love letter" once a year. Not THAT kind of love letter, of course, but a letter thanking the client for the opportunity to work with them. This letter must be authentic, heartfelt, and specific. This is one of the few kinds of marketing correspondence for which you should not have a form letter!
   — Honor special events in the clients' work and personal life. Remember birthdays and anniversaries, and always attend client-hosted affairs.

— Respond if the client asks for your help. They might just need someone to talk to. When that kind of request comes in, drop everything and listen.

5. *Resolving problems*. We're all human, and in each service relationship there will be times when the client's expectations were not fully met. You should confront these events head-on: Don't try to sweep them under the carpet.

   If a client does point out a problem, listen. Resist the impulse to respond immediately, or to try to defend or explain away the issue. Instead, ask questions. Get all the facts and feelings from your client. If it is appropriate, apologize, or at the very least, express your understanding of why the client feels the way he or she does.

   Then, solve the problem promptly and efficiently. When you are done, report your efforts and the results to your client. Finally, do not charge the client for the cleanup.
6. *Staying in touch.* If your work with certain clients is sporadic, schedule a telephone call or a visit at least once every three months. Your "Top Ten" clients should hear from you at least once every six weeks.

Focal Point No. 3: Eliciting Referrals From Clients

There is no greater proof of a client's satisfaction with your work than his or her willingness to assume the risk that accompanies making a referral. If you want to elicit referrals from clients, it is important that you succeed in the focal point areas already discussed, because a client's willingness to refer you to others will be directly tied to his level of satisfaction with you.

It's up to you to decide whether or not to directly ask for referrals. The following are several of the approaches you can take on this matter.

- Let the client know, casually, that business is good and you are looking for more. If you can say it without sounding phoney, you could tell the client you would be pleased if you could work with more clients (or businesses) like his.
- Lay out some of the elements of your business plan. Let the client know you are trying to grow your business. Ask for his or her advice. Does the client have any ideas about how you might expand?
- Come right out and ask for referrals. Of course, a number of clients will not be in a position to make referrals. Others will make quite a few. Be prepared for all kinds of responses when you ask for a referral. Obviously you will want to keep any information provided to you by the prospect confidential, but at the same time you want to keep your referral source informed about how things are progressing.

Focal Point No. 4: Developing Nonclient Referral Sources

Most of us already know a number of people who are—or could be—valuable referral sources. We rarely need to meet new people: we just need to maximize the potential in existing relationships. To find out whether this holds true for you, organize your existing referral sources into some sort of list or contact management system, then code them according to the following classification scheme, which I borrowed from my colleague, Jim Stapleton.

A ☐ Those who refer to you (or your firm) alone

B ☐ Those who refer to you and to several others simultaneously

C ☐ Those who deal with your clients regularly, but who do not yet refer to you (or your firm) and who may be referring business to your competitors

D ☐ Those who will not refer to your firm, but will give a reference

E ☐ Those who refer business away from you (or your firm)

How many *A* referral sources do you have? If you have more than three or five, you should congratulate yourself! It means there are people out there who really understand what you do, and think you are the best! If you have a dozen or more *B* referral sources, you are also doing extremely well.

But, there is always more that can be done. The following is an overview of some of the tasks you could set for yourself in this focal point area.

- Develop a "maintenance" protocol for *A* referral sources. Take incredibly good care of these people. You may not always be able to send as many leads to them as they send to you, but there might be other ways in which you could help them advance their careers and achieve their goals. Don't overlook these opportunities.
- Examine the possibility that some of your *C* referral sources could become *B* sources, and a few *B* sources could become *A* sources. Pay particular attention to the *C* sources, as they represent the greatest untapped potential within your list.
- Every time you lose a client who has grown dissatisfied with your work, there is one more person out there who is in a position to say unkind things about you or your firm. Whenever possible, you should try to resolve the problem that caused them to leave your practice, or at the very least, take steps to reduce their anger. Always strive for closure, even if you cannot recover the relationship.

- Treat all referral sources as unpaid members of your sales force—because that's what they really are. If they were on your payroll, what would you do for them? You would help them understand your products and services, and you would give them an incentive to "sell" for you. Obviously, you can't use the same kind of intense management methods on clients, colleagues, and friends that you would on a sales force, but you can take measures to help them be more successful at referring business to you. For example, you could make sure your referral sources really understand what you do. Hold seminars on topics within your realm of expertise. Put these people on your newsletter mailing list. Talk informally and anecdotally about the work you do and the kinds of clients you serve. And finally, find ways to "reward" your contacts for thinking of you. First and foremost, show your appreciation.

Focal Point No. 5: Meeting With Prospects and Developing Them Into Clients

Many CPAs and consultants get a decent number of leads. The real challenge is in being able to tell the difference between a good lead and a great lead, and in being able to "pursue" the lead and eventually convert it into a client.

The following are some tasks which might help you to focus your energies more effectively in this area.

- *Develop a profile of your ideal client.* Ron Baker, a CPA and consultant in California, says that the ideal client is the client with the highest possible lifetime value. What does your "high lifetime value" client look like? Begin to answer the question by examining the clients you already have. Chances are you already have two or three. Think less in terms of what you billed a client in the past six months, and more in terms of the overall quality of the working relationship, its likelihood to endure, and its ability to generate a consistent level of fees for quality work. If you use these standards, you might be surprised by the names that pop up to the top of your list. They might not be your most glamorous clients. But they could represent the kind of clients you should pursue in the future.
- *Hone your value proposition.* When you think about lifetime value clients, what would they say makes you special? That's the sales message you need to refine and take with you when you meet with prospects.
- *When meeting with prospects, blend a little consultative selling with just "being" the service.* You definitely need to brush up on your consultative selling skills. Take a class from Dale Carnegie or from your local business college. In addition, however, you also need to "be the service." That means that even in the course of your sales calls with a prospective client, you should try to demonstrate how you would take care of them, once they became a client.

- *Be patient—accept the realities of your profession's selling cycle.* Jim Stapleton (the author of chapter 8, "Telemarketing," herein), once said that, during his years as a telemarketer for CPA firms, he has experienced selling cycles ranging from eight hours to eight years, but that the average time to close a $10,000 audit is eighteen months.

Many CPAs fail to appreciate the amount of time and the frequency of contacts required to "close" a sale in today's competitive environment. In fact, many CPAs feel rejected and unwanted if they leave the first or second meeting with a prospective client without a signed engagement letter! In many instances, this reaction is unrealistic.

As exhibit 1-1, "The Pathway to Building an Irresistible Relationship," illustrates, many complex sales today require anywhere between five and a dozen contacts before reaching closure.

To understand the chart more fully, imagine that you have just met a new prospective client. You are at "Contact 1," essentially at the bottom of a ladder pointing upward. If you can reach the top of the ladder, you will achieve the "Irresistible Relationship" with your prospective client. Although it will not always take twelve contacts to achieve an irresistible relationship, it will almost always take more than two or three. If you look at Contact 4, you will note that, by then, nearly 90 percent of all salespeople give up if they have not "won" the client. Nevertheless, it is at Contact 5 that you become a factor in the prospect's mind.

FOLLOW THROUGH

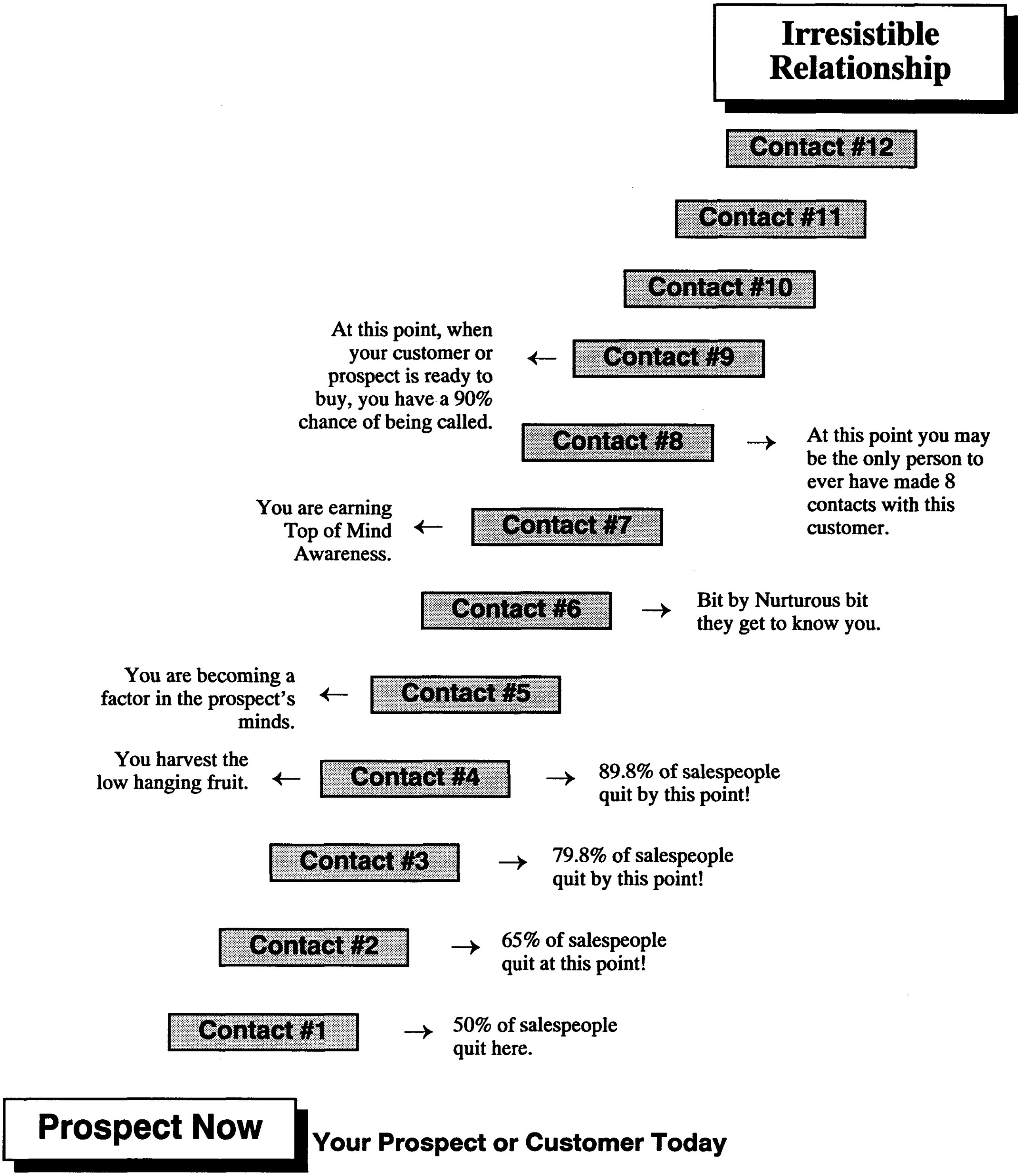
So, now you have an idea of the kinds of goals you could set for yourself. But which ones are right for you? And how many should you set? Here, in the concluding section of this chapter, we'll cover the steps you can take to develop practical and useful goals for the coming year and how to make sure you carry them out.

Step No. 1: Decide what you want to accomplish this year.

What kind of a marketing year is this? Is this a year to focus primarily on retooling, or mostly on client retention? Is this a year to go out and aggressively court prospective clients, or to start building up a lifelong base of referral sources?

Set no more than ten goals. If you tried to set a goal in each and every one of the focus areas described in the preceding, you could become overwhelmed and paralyzed by the list you produce. So, it's important to distinguish between what would be *nice* to get done this year, and what absolutely *must* be done this year.

EXHIBIT 1-1 **The Pathway to Building an Irresistible Relationship***



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Quantify each goal. That is, you should be able to express each goal in such a way that what you want to achieve is quantified, the resources needed to achieve the goal are measurable, and the outcome is measurable. We'll review some examples shortly.

Calculate the hours required to achieve each goal, add them up, and make sure they come in at roughly three hundred hours (and *no more than that*: You have to allow time for the unexpected).

Prioritize your goals. It would be nice to achieve all ten goals but, it might not be practical. Therefore, you should go into the process with the attitude that you really, really want to achieve the first three goals on your list. Review your list and pick the three goals that are a combination of the most fun and the most potentially rewarding.

Finally, once a month, translate your Personal Marketing Plan into specific action items for the next thirty days. Put the deadlines for those action items into your calendar or your contact management system. See exhibit 1-2, "Personal Marketing Action Plan," and exhibit 1-3, "Personal Marketing Plan—Some Samples."

Step No. 2: Get a coach.

Find someone (a partner, employer, friend, or your significant other) who you can meet with and report to on a monthly basis. Ask this individual to hold you accountable to the action items you set for yourself in the past month. Let this person know you expect them to praise you when you've successfully accomplished a goal, and be your mentor when you are experiencing difficulties. This person should coach you on how to systematically remove the stumbling blocks between you and the achievment of your goal, but also maintain objectivity. He or she should ask you from time to time to make sure the goals you set for yourself at the beginning of the year are still practical and realistic.

If it helps, reward yourself for compliance.

Step No. 3: Purchase, install, and use contact management software.

There are a variety of software products available that will help you to keep track of your contacts and action items. Many have a powerful capability for notetaking and keeping a calendar, which will help you keep track of why open items matter and when to follow up on them.

Have you ever jotted a note in your calendar: "Call Joe Taft," but by the time you noticed it again, you can't even remember who Joe Taft is? Well, he's probably a prospective client or a new referral source, but you can't remember a thing about him! If you had a contact management system, you could have entered the tickler to call him, and attached notes about who he was, and what you talked about.

Step No. 4: Just do it!

What else is there to say?

EXHIBIT 1-2 **Personal Marketing Action Plan**

Goal No. 1: ____________________
- **How accomplished:** ____________________
- **Resources required:** ____________________
- **Number of hours required:** ____________________
- **Weighing:** ____________________

Goal No. 2: ____________________
- **How accomplished:** ____________________
- **Resources required:** ____________________
- **Number of hours required:** ____________________
- **Weighing:** ____________________

Goal No. 3: ____________________
- **How accomplished:** ____________________
- **Resources required:** ____________________
- **Number of hours required:** ____________________
- **Weighing:** ____________________

Goal No. 4: ____________________
- **How accomplished:** ____________________
- **Resources required:** ____________________
- **Number of hours required:** ____________________
- **Weighing:** ____________________

Goal No. 5: ____________________
- **How accomplished:** ____________________
- **Resources required:** ____________________
- **Number of hours required:** ____________________
- **Weighing:** ____________________

Goal No. 6: ____________________
- **How accomplished:** ____________________
- **Resources required:** ____________________
- **Number of hours required:** ____________________
- **Weighing:** ____________________

Goal No. 7: ____________________
- **How accomplished:** ____________________
- **Resources required:** ____________________
- **Number of hours required:** ____________________
- **Weighing:** ____________________

Goal No. 8: ____________________
- **How accomplished:** ____________________
- **Resources required:** ____________________
- **Number of hours required:** ____________________
- **Weighing:** ____________________

(continued)

Exhibit 1-2 *(continued)*

Goal No. 9: ____________________
How accomplished: ____________________
Resources required: ____________________
Number of hours required: ____________________
Weighing: ____________________

Goal No. 10: ____________________
How accomplished: ____________________
Resources required: ____________________
Number of hours required: ____________________
Weighing: ____________________

EXHIBIT 1-3 **Personal Marketing Action Plan—Some Samples**

Goal No. 1: Take sixty hours of training in 1997, and read at least five books, as shown below. Success is the successful completion of all coursework, and ability to translate new knowledge into better work for clients.

How accomplished:
- Sixteen hours of estate planning updates
- Sixteen hours of tax updates
- Sixteen hours of financial planning updates
- Twelve hours of listening/sales courses
- Reading books in effective communications

Resources required: $1,200 in tuition fees
Number of hours required: Sixty hours for courses; twenty hours for books, or a total of eighty hours
Weight: A to B

Goal No. 2: Focus on client management and development with my top ten clients, as shown below. Success is the retention of all Top Ten clients, and a 20-percent expansion of billings to the group as a whole by the end of year one.

How accomplished:
- Schedule service review meetings with all Top Ten clients in January and February. Prepare a truth chart on each client before the meeting.
- Schedule an informal get-together with each client in the April–May time frame.
- Send a "love letter" in the July–August time frame.
- Meet with clients in October and November: How are things going? Ask for referrals.

Resources required: None. One-on-one meetings with clients.
Number of hours required: Approximately ten hours per client or a total of one hundred hours.
Weight: A to B

CHAPTER 2

DEVELOPING A SERVICE EXCELLENCE PLAN FOR CLIENTS

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HOW IMPORTANT IS SERVICE?

If you asked one hundred clients the following questions, what kind of responses would you expect? "If you consider that your accounting firm provides you value in two ways, professional value through its professional services, and client-service value, how do you rate their relative importance?" If the total value is a pie, how big a piece of the pie is client service? Our research from the interviews shows that the client service slice of the pie is 50 percent to 75 percent of total value in the long run. That's what our clients tell us. As one client described it, "I expect you to be professionally competent. It's your service performance, how you treat me, that really makes the difference."

If you accept that the value of your client service relationship is at least equal to the value of your professional services, it is critical that you take a strategic view of client service that will integrate it into every contact and engagement with every client. Client service is a tool of competitive advantage that needs to be integrated into your overall strategic plans. A strategic view of client service includes the following steps:

1. A clear and well-communicated vision of the dimensions of service that clients value
2. A process for integrating client service into client engagements

3. A training approach that integrates service training with professional skills training

Although an integrated approach applies to both individual and business clients, the recommendations in this article are focused on business clients.

THE SIX DIMENSIONS OF SERVICE

The first strategic step is to communicate throughout your firm a well-defined set of service dimensions that establish the framework for client service. Based on our client interviews, focus groups, and client surveys, we have defined the following six dimensions of client service that are central to our client service success:

1. We understand your business and industry and demonstrate our knowledge in the services that we provide to you.
2. We consistently anticipate your needs by making suggestions and offering services of value to you.
3. We foster open and active communications between our firms which contributes to the value of our services.
4. We are visibly committed to your success by our attitude, performance, and services.
5. If a problem arises in our services, you can be confident that it will be addressed and remedied.
6. We will not surprise you.

Think of the dimensions as the service "tools" your firm can apply to every client relationship. Everyone in your firm can use these tools in his or her role with clients. To continue the analogy of tools throughout the rest of this article, I will discuss the use of each tool, and how to train your staff to use each tool.

The following sections provide descriptions of the six dimensions of client service with examples of their applications in client service situations. These are not in any order of priority; all the dimensions are important. Each service dimension is a unique tool that needs to be understood by your staff, and how it applies in client settings.

Understanding and Knowledge of Clients' Business

This, of course, is central to a niching strategy, but its applications must go beyond that to exceed clients expectations. In many industries, niching is no longer a competitive advantage because clients in highly niched industries such as health care, construction, and financial institutions will only work with firms that have a specialty in their industry. To create distinction, you have to go further and cultivate a unique understanding of the clients' situation within the industry niche. You need to be able to answer questions such as the following: Do you have a clear understanding of the client's strategic goals and plans? Have you reviewed the competitive issues facing the client? Does *everyone* on the engagement team share a common understanding of the client's plans, so that professional services can be shaped with the client's goals in mind?

For example, even within the framework of compliance work, you can make a difference. As part of your pre-engagement planning, armed with knowledge of the client's strategic goals, ask the client to participate in a planning session that focuses on shaping the compliance work to contribute to its goals. An agreed-upon additional analysis of their revenues in line with strategic goals, for instance, would be more easily accomplished in the course of their audit than as a separate consulting project. Your efforts, just in asking, will not be unnoticed by the client, even if you cannot identify special steps to take.

Recommendations of Value

This dimension of client service is well understood in our profession. It flows from your understanding of clients' business and goals. This dimension also clearly links to your professional service value, the other piece of the pie, when you deliver focused professional services that contribute to clients' success. One client described the essence of this dimension when she said, "When we have a trusting relationship, I expect you to make recommendations to me. I don't consider that selling. It's your responsibility to me as long as your recommendations have value. I don't ever want to have to say to you at a later date, 'Why didn't you tell me that?'"

One way to regularly integrate this into a client relationship is to schedule two or three meetings a year with the client for the sole purpose of having the client review their business plans with you. Keep the meeting to ninety minutes, and focus the agenda. Your role is to listen and achieve a full understanding of the client's views.

Open Communications

We all know that communications is at the heart of our client relationships, yet we often fail to create overt, proactive plans tailored to the clients' situations. Do you ask your clients about communications preferences? Does everyone serving the client understand the client's requirements? Do you make special arrangements for contact during certain times with the client? For example, do you offer the client's accounting staff the opportunity to call their contacts at your firm any time they have a question? To be able to call without the concern of incurring fees unless agreed-upon? You will be surprised at what you can learn from these kinds of contacts and you should do everything possible to encourage them.

Commitment to Clients' Success

This is the most intangible dimension of client service, but may be the most powerful in the long run. We define it for our staff as the client's belief that they are more successful as a result of their relationship with us than they would be with any other firm. When we've asked clients to help us understand this dimension they say things such as the following: "You are always there when we need you." "Whenever we have a problem, even if it's outside your services, you ask, 'How can we help?'" "It feels like your service was designed specifically with us in mind."

Do you help clients make new connections that help their business? Do you show the client you are thinking about them after the engagement? Do you make recommendations that reduce your fees? These are all examples of the kind of commitment clients value.

Problem Resolution

Think of service failures as unmet client expectations. Even though you do not want this situation in the first place, it is a valuable chance to show the client that you stand behind your performance. Some research shows that businesses' ability to properly recover from a service failure can actually create added loyalty in the clients' mind. Service failures can be unpleasant, but they are also a golden opportunity to show the client that you are accountable. You should plan to review your service performance once a year and in person with your clients. For example, we had a manager give clients a sheet of paper entitled "How can we make your life easier?" The clients were asked to write down everything they observed during an audit that we could do differently to make their lives easier. At the end of the job, there were items that we could—and did—change on the next engagement. Keep in mind that this dimension of client service is also about little improvements that the client nevertheless sees as attention to their needs.

No Surprises

Clients expect us to keep them *totally* informed of the progress on their engagement and the status of fees. They expect us to have an "early warning" system that alerts us adequately so that we can avoid surprising them. Clients hold you accountable when they say, "You should have known." What systems do you have in place that avoid surprises? Does everyone serving the client know the due dates and act as an early warning monitor? Do you ever surprise clients with fees? One way to add signifigance to this dimension of client service is to make a direct guarantee to the client that you will not surprise them with fees; if they are surprised, they do not have to pay the fee. That puts the burden on you to make sure, before you start the work, that clients have a clear understanding of the fee or how the fee will be determined.

INTEGRATING THE DIMENSIONS OF SERVICE INTO CLIENT ENGAGEMENTS

Now that you know the six tools you have to work with, how can you use them in practical ways that clients value? We use service value planning, an integrated approach to client service that involves creating and implementing a firm-wide process for applying the service tools in each client engagement. It is during this step that the theory of client service is translated into tangible benefits to the particular client. An effective service value plan is made up of the following three elements:

1. Team planning
2. Client feedback and acceptance
3. Service value plan

Team Planning

The foundation of a service value plan starts with at a meeting of the engagement team to evaluate the client's current situation, discuss lessons learned from the past, and anticipate changes that will influence the service situation. Use the six dimensions of client service described in the preceding section as a checklist to raise questions around each dimension. Use this meeting to develop a common understanding of the client's situation and preliminary ideas for client service improvement.

The following table serves as an example of the kinds of questions about each dimension that the team should be asking itself in order to search for improvement opportunities.

Service Dimension	Questions to Consider
Understanding clients' business and industry	■ What are the client's strategic plans? ■ Who else at the client's business do we need to talk to so we understand more? ■ What research can we do to help us? ■ Does everyone on the team know what they need to?
Anticipating needs and making recommendations	■ What recommendations did we make last year. What is the status of those recommendations? ■ What will we focus on this year? ■ What are the client's priorities?

(continued)

Service Dimension	Questions to Consider
	■ What will the needs be two to three years from now? How can we set the stage for those? ■ Who else should we talk to?
Open and active communications	■ What communications problems did we experience? ■ Do we need new communications links with client contacts? ■ How often are we in contact outside the engagement? ■ What other methods of communications can we employ? ■ Are there people outside the company with whom we need to build communications lines? ■ Does the client have the right access to people in our firm?
Visible commitment to client's success	■ Did we have an opportunity to demonstrate commitment last year? ■ What extra efforts can we make this year? ■ Is there a bold step we should consider? ■ Are there any "red flags" in the client's operations that will require extra attention on our part?
Prompt problem resolution	■ What service failures (no matter how small) did we experience last year? How were they resolved? ■ What are our concerns about this year? ■ Has anything changed for the client or us that alerts us to potential service failures? ■ What were the results of the client service interview? ■ Do we understand the concerns (if any) of other people we work or interact with at the client?
No surprises	■ Did any surprises occur last year? ■ Where are we at risk of surprising the client?

Client Feedback

With the preliminary opportunities identified from the team meeting, meet with the client to obtain their views on your service performance, and share your views from the team planning. Again, you can use the six dimensions of client service as an agenda to interview the client about their views. You can start by saying, "Ms. Client, we know that service is an important part of our relationship. I want to ask you about six aspects of our performance last year so we can continue to find ways to improve our performance. By the end of our meeting, I want us to have a shared view of the service improvement opportunities that exist and joint plans for realizing them. Nothing is too small or too large to discuss."

Don't let fear inhibit you from having this kind of conversation with your clients. I have had people explain their reluctance to do this because it might actually raise doubts in the client's mind, as if asking the client about service performance might elicit a recounting of too many problems. Nevertheless, if you are truly going to make client service part of your competitive advantage, then you have to be able to have a talk about it with your clients, period.

Now that you have your preliminary views and the clients' views, you can create the service value plan. This is a single-page document that describes the three to five priority steps you plan to take to increase your service value. Exhibit 2-1, "Service Value Plan—1998," is an example. Note that the items indicate the dimension of service affected.

EXHIBIT 2-1

Service Value Plan—1998
XYZ Company

To be more valuable to this client, the XYZ Company will take the following steps in 1998:

1. *Communications.* All new engagement team members will be introduced to their contacts and tour the client's facility thirty days prior to the audit. The partner will schedule this.
2. *Suggestions of value.* Our in-charge and the client's controller will meet to find ways to reduce the client's need to prepare special working papers for the audit. We will find more ways to use the client's existing information system. This will be completed thirty days prior to the audit.
3. *No surprises.* Each week during the audit, the partner will brief the client on our progress and budget compliance.
4. *Commitment to client's success.* In May, we will provide a two-hour briefing to the stockholders and key management on the topic of retirement planning.

Once the plan is complete, your service team needs to briefed on its role in delivering the plan, and the client needs to be briefed on your promises. Yes, this approach has its risks, namely that you will not perform on your promises. We believe the failure to make such promises in the first place is a greater risk.

This written service value plan is a concrete promise to the client that you will follow through with these steps. You have elevated service performance to an integral part of your total relationship with the client.

Training for Integrated Service

The kind of service delivery which clients describe as "noticeably superior," doesn't just happen. It is the result of a systematic process that includes training. Just as you develop the professional capabilities of your staff, you have to develop their service capabilities.

The formal training should be integrated into your firm-wide continuing professional education (CPE) and delivered at the appropriate time in your staff's development. The following table illustrates an approach that uses service training as a curriculum.

Topic	Training Objective	Position
An overview of client service	■ What clients expect ■ Your roles during your career ■ The firm's policies and practices	Professional and administrative staff with client contact
Fundamentals of client contact	■ Handling yourself in the client's facilities ■ Dealing with common problems ■ Effective communications skills	Staff and seniors
Conducting a client service interview	■ Listening skills ■ Understanding clients' expectations ■ Facilitating an interview	Seniors and supervisors
Managing a service team	■ How to organize for service delivery ■ Defining your team's responsibilities ■ Evaluating your team's performance ■ Creating a service value plan	Supervisors and managers
Coaching service performance	■ Individual coaching skills ■ Training skills	Managers and partners

If you consider the time we invest in professional CPE, it seems reasonable to invest some time in service training if service is truly half your value to clients. Four to eight hours each year is recommended at every professional level. In addition to the actual value of the training to your staff, you are also sending a clear message that service performance counts.

CONCLUSION

One would like to think that clients look for professional competence. In many cases, however, it is how clients are treated that determines the success of the relationship. With client service comprising at least half of our total value, this area is too important to leave to chance. You simply cannot assume the people in your firm will take it upon themselves to deliver a high level of service to clients. Instead, you must formalize your client service program by defining it.

Here is a list of readings recommended by the author.

- Berry, Leonard, and Valarie Zeithaml. *Delivering Quality Service.* New York: The Free Press, 1990.
- Heskett, James, Earl Sasser, and Christopher Hart. *Service Breakthroughs, Changing the Rules of The Game.* New York: The Free Press, 1990.
- Sanders, Betsy. *Fabled Service.* San Diego: Pfieffer and Company, 1995.
- Schaff, Dick, and Ron Zemke. *The Service Edge.* Minneapolis: New American Library, 1989.
- Whitley, Richard. *The Customer Driven Company.* Reading, MA: Addison-Wesley Publishing, 1991.

CHAPTER 3

MARKETING AN INDUSTRY SPECIALIZATION

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INTRODUCTION

In order to compete in the accounting profession in the 1990s and beyond, firms must focus their energies on building industry specializations or niches. The evidence is clear. Fifty-nine percent of *Accounting Today's* 1997 Top 100 Firms cited industry specializations as their fastest growing service niche. This is an increase from 44 percent one year ago. Client survey results tell us that industry knowledge is one of the main reasons why prospects select a CPA firm. Industry specialization has been cited as a factor of local firms' ability to survive and prosper.

The many benefits of niche marketing include high profitability, services that are of high value to clients, more easily identified prospects, and work that is not seasonal. Finally, niche services lend prestige to your practice. Niche marketing can also provide personal and professional challenges and rewards. In fact, industry consultant David Maister asserts that you can only become successful if you care about what you are doing.

There are benefits and risks associated with niche marketing. Therefore, do your homework before you decide to utilize a niche marketing strategy for your firm. Review this chapter carefully before deciding whether your firm is ready to market an industry specialization.

Benefits of Niche Marketing

The following list includes short descriptive summaries of the benefits of niche marketing.

- *High profitability*. Niche marketing offers higher profitability for two reasons. First, clients are willing to pay a higher fee for industry expertise. Second, there is less danger of losing clients if your firm is the industry specialist.
- *Economical.* Marketing dollars are being spent on specific niches rather than random efforts.
- *High-value services to clients.* Firms specializing in an industry niche have the ability to offer services far beyond an audit and tax return. There are often opportunities for consulting engagements that benefit the client's bottom line.
- *Easily identified prospects.* By utilizing basic market research techniques, firms can identify prospects by geographic area, sales, number of employees, Standard Industry Classification (SIC) code, and CPA firm. This information can then be used to define your market.
- *Fewer geographical barriers.* Being known as an industry specialist opens the door to clients outside your local marketplace. The skills and services offered by your firm can be leveraged to build your client base in other geographic markets.
- *Personal and professional challenges and rewards.* Being known as an industry specialist provides opportunities and exposure for your partners and professional staff. Also, building a book of business is an effective career path to become a partner.
- *Easily identified competition, and strengths and weaknesses.* While researching your prospects, determine the CPA firms that currently serve these companies. Then, research the CPA firms to find their industry specialists, marketing products, and industry involvement.
- *Prestige.* A reputation as a specialist in a specific industry makes your firm more valuable to your clients and leads to additional marketing opportunities, for example, published articles, speeches, and leadership positions in trade associations.
- *Year-round work.* By expanding the range of services offered to clients, it is more likely that you will provide services on a year-round basis, unlike traditional, seasonal accounting work.
- *Increased knowledge of your clients.* By focusing on a specific niche you are also able to focus on continuing professional education (CPE), trade association memberships, and outside reading on topics of need and concern to your clients. This in turn makes you better able to serve your clients' needs and more valuable to them because you have an enhanced knowledge of their industry.

Dangers of Niche Marketing

The following list includes short descriptions of the dangers of niche marketing.

- *Misidentify the niche.* Research is very important when identifying your niche. Be sure there is truly an opportunity by defining the niche by industry or industry segment, for example, electrical contractors, geographic scope, sales, and number of employees.
- *Misdirect the message to the niche.* Define the message you will send to your clients and prospects. For example, it would not make sense to be known as a high-cost provider in a not-for-profit niche.
- *Rely too heavily on one niche.* The danger here is a downturn in a particular market, for example, oil and gas, that could adversely affect the future of your firm if that market represents the majority of your client base.
- *Services may not recur each year.* Consulting services may be one-time projects that would need to be replaced by new consulting services to continue growth.
- *Increased travel is necessary to reach prospective clients in narrower markets.* Your geographic market may expand as opportunities for new business increase. This may result in increased revenue for your firm but may also result in increased staff turnover.

This chapter will cover how to develop and implement a strategic market plan for each niche, and how to avoid the common obstacles of niche development. First, let's briefly cover how to select an industry niche.

HOW TO SELECT AN INDUSTRY NICHE

Niche marketing is the decision to use a mix of marketing tools to address a specific target: a niche in the market. The place to start in selecting an industry niche is to conduct a marketing audit of your firm. For a detailed discussion of this topic, see *The Marketing Advantage*, chapter 2, "The Marketing Plan: An Audit-Based Approach."[1]

The key areas on which to focus are the following.

1. *An analysis of your firm's client base.* Segment your clients by SIC codes. Then, for each industry, calculate the standard cost, fees billed, yield, percent of standard, average fees billed, average hours billed, average billing rate, and number of clients. Also, analyze your client base by sales volume, geographic location, and services provided. Graph this information to give an accurate picture of your client base. This will show you in which industries you are spending the most time, earning high fees, experiencing high collection rates, offering a variety of services—all opportunities for niche market development. It will also show unprofitable industries, those you should avoid.
2. *An analysis of your firm's current services and skills.* In addition to traditional accounting, auditing, and tax services, what services is your firm competent in providing? What services does your firm

[1]Colette Nassutti. *The Marketing Advantage: How to Get and Keep the Clients You Want.* New York: AICPA, 1994.

provide that your competitors do not provide? Do your partners and professional staff have the skills to build a niche or should you consider hiring an industry specialist?

3. *The trends affecting your clients.* Talk with experts and clients in the industry to understand its service needs and hot buttons. Trends that influence an industry niche can create opportunities for additional firm services, expand the scope of services to existing clients, and provide services to new clients experiencing the same trends.

Using the information gathered in your marketing audit, answer the following questions prior to pursuing a particular industry specialization.

1. Is pursuing this niche consistent with your firm's mission?
2. Is there a market? Is the market size sufficient to generate revenue goals? Is there a market demand? Will clients and prospects be willing to buy these services?
3. What are the current growth rate trends for this industry?
4. Is there a champion within your firm to lead the effort for each niche?
5. Can your firm deliver? Can your firm meet the market's perceived needs? Are additional resources needed to deliver? Are they accessible? A dissatisfied client can undo the benefit to your firm of having sold its services to that client.
6. Do you have enough knowledge about this industry? If not, what more do you need? Where can you get it?
7. What kinds of clients do you like to spend time with?
8. What fees can you expect?
9. Can you anticipate premium pricing or value billing?
10. Can your firm reach the target market?
11. Do the individuals in your firm have a network of referral sources to obtain work in a specific niche?
12. What level of manpower and resources will your firm need to enter this niche and service prospects?
13. What firms in your marketplace are currently providing services to this industry? What are your competitors' strengths and weaknesses?
14. What marketing effort will your firm have to make to enter this niche and serve prospects?
15. Will your firm's size affect its ability to succeed in a particular niche? Keep in mind that certain industries are predisposed to Big Six firms.
16. Are there other obstacles?

DEVELOP A STRATEGIC MARKET PLAN

One of the key factors of a successful niche marketing program is a written plan. Refer to exhibit 3-1, "Sample Strategic Market Plan," for a sample. The plan should start with your firm's mission statement, a brief statement of who you are in relation to your market and your firm's basic purpose.

Next, the situation analysis describes the current status of your firm, the niche market you wish to pursue, and your competition. This information was gathered during your firm's marketing audit.

Objectives need to be developed. Objectives should be SMART—Specific, Measurable, Attainable, Realistic, and Tangible. The strategic market plan should include three-year objectives for the firm, revised annually. Each niche area should have one-year objectives, reviewed quarterly. Specific strategies are then identified to obtain your objectives. Make sure that your objectives and strategies state the specific tasks, deadlines, and those responsible for making it happen.

In 1993, David Berdon & Company realized the need to develop industry niches. Thalia Zetlin, the firm's marketing director, designed the framework for a niche marketing plan. "I developed guidelines and tactical questions for each group to consider," explains Zetlin. "A marketing plan outline was provided; the information gathered was inserted in the appropriate section. This resulted in a marketing plan for each niche."

Deadlines were provided for each stage of niche plan development. Zetlin attended all niche meetings and utilized the firm's internal newsletter to promote the progress of each group.

Kinds of Opportunities

The following are the four types of opportunities your firm can pursue, each with its own level of risk.

1. *Market Penetration*. Provide existing services to existing clients. This is the least risky opportunity since you are already familiar with the service and the clients. For example, you may be developing a niche in the construction industry. Currently, succession planning is a firm specialty. This is a service needed by and could be offered to builders and contractors.
2. *Market Development*. Provide existing services to new clients. This is a bit more risky since you need to learn about a new market segment. Rubin Brown Gornstein & Co., LLP expanded its real estate niche by developing expertise in low-income housing credits. These services are now marketed to real estate developers on a national basis.
3. *Product Development*. Provide new services to existing clients. This is also a bit risky since you need to learn a new service area. Dixon, Odom & Company is a member of Auto Team America, a power network targeting the auto industry. The firm, with the help of its marketing director, Tracy Crevar, will be providing a new service for its auto clients. Control Operating Procedures & Systems (COPS), developed through Auto Team America, is designed to service the clients' needs. An auto dealer may need assistance in a particular area, for example, parts, cash, asset management. COPS is a software program that will be used to examine and recommend changes to various auto dealer functions.

4. *Diversification*. Provide new services to new clients. This opportunity is the most risky since you are moving into a new line of business. Many firms today are exploring opportunities in technology consulting. Also, the AICPA's Special Committee on Assurance Services has identified the following six services that firms can explore to expand revenue: (a) risk assessment, (b) systems reliability assurance, (c) entity performance measurement, (d) geriatric assurance, (e) electronic commerce assurance, and (f) health care assurance.

Implement the Strategic Market Plan

There are many success factors critical to the effective implementation of your strategic market plan. The more of these factors that exist within your firm, the more likely the plan will succeed. These factors include the following:

1. *Active support from the managing partner or director.* The managing partner or director must support the strategic market plan with time, dollars, and personal commitment.
2. *Commitment to and ownership of the plan by the entire group that will be responsible for its implementation.* Without total commitment, it is easy for your strategic market plan to fall off course and things to return to "business as usual." Hold monthly meetings to review the progress of each niche group. This will help keep your efforts on track.
3. *One person who will be the "driver" of the plan.* This is the person who makes sure the plan stays on schedule. Your firm's marketing director is an excellent candidate to fill this role.
4. *The group who will be the visionary force behind the plan.* This is the group that provides the overall view and much of the input in developing the objectives and strategies. It should consist of one or two technical partners who are knowledgeable in the industry, assigned staff members, and a marketing-oriented partner or marketing professional.
5. *An internal marketing awareness and mind-set within the firm.* It is important for everyone in your firm to understand the purpose of your strategic market plan and to be knowledgeable about the services offered by your firm and the promotional materials available to market these services. Share your goals in firm meetings and internal publications. Explain the why and how of your goals and what they mean to each individual in the firm. Everyone in your firm is a potential salesperson; everyone needs to know what they are selling.
6. *Integrated marketing tools.* Analyze how the various marketing tools will work together. The goal is to maximize all the marketing opportunities by selecting the best marketing mix. Marketing tools include but are not limited to brochures, proposals, newsletters, seminars, speeches, direct mail, telemarketing, news releases, articles with by-lines, media interviews, advertising, organization memberships, surveys, and mixers with clients, prospects, and referral

sources. When developing a niche, it is important to gain name recognition. Brochures, newsletters, organization memberships, advertising, and news releases can help you do that. Seminars, speeches, and mixers can help you generate leads, if you are better known in the marketplace.

7. *Project management tools.* This is a system to track the status of your plan's implementation and budget. This system can be as simple as a spreadsheet outlining the specific activities and deadlines of your plan, and the date on which each activity was accomplished. You'll also want to track the expenses incurred including promotional materials, CPE, entertainment, seminars, and advertising to ensure that you stay within budget. Be sure to communicate this within your firm on a regular basis.
8. *A recognition and reward program.* These will differ from firm to firm. Determine what kind of program will work best with your people and culture. Altschuler, Melvoin, and Glasser organized a "Go for the Gold" incentive campaign in 1996. The program focused on cross-selling and rewarded personnel for referring clients to other practice areas of the firm. A directory was developed including a description of each industry specialty or practice area and the names and telephone numbers of professionals working in those areas. Prizes included trips to Las Vegas, cash bonuses, and outings for the departments that closed the most sales. This six-month campaign generated $1.3 million in new business and stayed within its budget of $36,000.

Recognition and reward programs can be as simple or elaborate as the firm sees fit. In addition to offering monetary bonuses for new clients, firms may offer other prizes like dinners or tickets to a concert or show. Recognition can be given in the firm's internal newsletter and on signs and plaques hung in the office. In his book, *1001 Ways to Reward Employees*, Bob Nelson offers many other suggestions including parking spaces, movie passes, and electronic equipment in addition to offering guidance on developing recognition and reward programs.[2]

COMMON OBSTACLES IN NICHE DEVELOPMENT

The common obstacles in niche development include not knowing where to start, lack of partner commitment, lack of a champion, perceived lost opportunities, and lack of communication. A discussion of each obstacle follows.

[2]Bob Nelson. *1001 Ways to Reward Employees.* New York: Workman Publishing Co., Inc. Revised 1993.

Not Knowing Where to Start

The place to start is to make a commitment to a niche marketing strategy. Then, follow the steps in this chapter to determine the niche(s) to pursue, identify the champion, and write a strategic market plan for the niche. Learn from CPA firms outside your geographic market. Membership in the Association for Accounting Marketing (AAM) entitles you to a directory of firms willing to share niche marketing information.

Many accounting firm associations are developing niche marketing programs for their member firms. Moore Stephens North America, Inc., has formed two niche groups, the Health Care Consortium® and the Construction Consortium.™ Members meet and share ideas and skills as well as exhibit at national trade association conferences. Promotional materials such as brochures and newsletters are produced. Also, they utilize industry specialists from other member firms to assist in both current client and new business opportunities.

Firms can join a "power network," a network developed to market a specific industry. PENCOR Marketing and Publications, Inc. helps firms establish and develop marketing niches and programs and is currently working with four hundred fifty firms in the United States. It manages eight niche associations including the Community Banking Advisory Network and the CPA Manufacturing Services Association. Joel Shiffrin, PENCOR president, has seen firms embrace niche marketing.

"Firms must elevate their level of consulting skills for niches," says Shiffrin. "Providing value-added services is an effective way for firms to differentiate themselves from other firms in the niche. Firms that are not successful are often looking for the magic bullet that will take care of marketing for them."

The Practice Development Institute (PDI) has been providing niche marketing tools since 1980. PDI currently works with 2,500 firms throughout North America and manages twenty-eight industry and functional institutes to help CPAs increase their profitability and learn the best practices from other noncompeting firms. PDI has conducted surveys of its clients to determine the success factors of niche development.

"There is a direct correlation between an individual's willingness to bet their job on the success of the niche and the niche's actual success," explains Allan Koltin, PDI president and chief executive officer. "An individual's marketing skills and subsequent ability to build a practice was found to be more important than technical skills," he adds.

Interestingly, nonfactors of successful niche development were firm size and the number of current clients in starting the niche. Starting with a base of clients in a particular industry is certainly helpful but not required to build a successful niche.

Firms have also joined forces with other firms specializing in an industry to form a power network, most notably Auto Team America. Jeff Sacks, a consultant based in La Jolla, California, organized ATA in 1991 for firms that targeted auto dealers. He believed they would benefit from pooling knowledge and advertising dollars in a client service network covering every region of the United States. ATA currently has thirteen members, each meeting the following criteria: more than thirty auto dealership clients, a partner who spends all or most of his time servicing the auto dealer market, and a willingness to share information.

ATA meets three times a year, sponsors training programs, provides a bimonthly newsletter, exhibits at national trade shows, and buys print ads in niche publications. Each meeting includes a "best-idea" session in which each firm is required to share an idea or program that has succeeded in their firm. Members can also access collateral materials from other members.

Sacks says, "Auto Team America has been successful since the firms have been able to concentrate on specific functions within the specialty and develop new products."

The Apparel and Textile Accountants and Consultants (ATAC) network was formed in 1996 by Moss Adams, LLP, Dixon Odom & Company, and M.R. Weiser & Co. Collectively, the firms serve over four hundred apparel and textile clients, principally in manufacturing, with revenue ranging from $10 million to $100 million.

"Our most creative niche marketing efforts have been the formation of power networks," says Tracy Crevar, whose firm is a member of both ATA and ATAC. "Aligning our firm with people that know a specific industry has been very successful in generating new business."

Participating in a power network has also been successful for Moss Adams. Several years ago, the firm decided to pursue an auto dealer niche. The firm had a person who worked with three auto dealer clients and knew he needed to become famous in this niche. The firm worked with an industry consultant and subsequently became a member of ATA. In the past two and one-half years, the firm's client base has grown from three to one hundred auto dealer clients.

"By leveraging off the fame of other ATA members and by differentiating our firm using the COPS software, we are building a successful niche," says Robert Bunting, president of Moss Adams. "Most people spread their marketing activities too thinly and are not effective in any of these efforts. Marketing activities should be concentrated in areas that will lead to new business opportunities in a particular industry."

Joining ATA was part of Moss Adams's plan to develop a famous person in the auto industry. Bunting describes a famous person as someone with all the following characteristics:

- Known by all of the influentials in the industry
- Known for value-added services or controversy expertise
- "Not like an accountant"
- Mature
- High leverage
- Controls a book of business between $800,000 and $2 million
- A very high sales batting average

Firms can also form an alliance with a consulting organization that provides services to a specific industry. This enables a firm to offer services to clients and prospects that it would otherwise be unable to provide.

Lack of Partner Group Commitment

Rarely will you receive 100 percent commitment from all partners for any initiative your firm would like to undertake. It is important, therefore, that the firm's managing partner and those partners who are interested move forward with a niche marketing effort despite resistance. The reward for these efforts will be reaped in new business. Partners who are not interested in marketing an industry specialization must specialize in technology to maintain a role in their firms.

Lack of a Champion

An important point for you to keep in mind is that *without a champion you do not have a niche.* The champion must be a person with influence, but does not have to be a partner. One possibility is a manager who is interested in building his future in the industry and becoming a partner in the firm. The champion is not necessarily the driver of the strategic market plan. The driver is a role that can be effectively played by the firm's marketing director.

"Our niche marketing strategy has been successful because the leadership is committed to differentiating our firm," explains James Castellano, managing partner, Rubin Brown Gornstein & Co., LLP. "Plus, we have always had a partner who champions all our industry groups."

If the champion does not exist in your firm, consider hiring the champion from another firm or industry.

Perceived Lost Opportunities

Research conducted by McKinsey & Company on market dominance states that ranking in the top three in any market is critical to achieving marketing efficiency. The top three firms in each market will get the opportunity to sell 70 percent of the time. The opportunity to sell for the firm in fourth place drops to 40 percent. Niche marketing will allow your firm to break up the market and be in the top three firms for selected niches. By utilizing a focused niche marketing approach, your firm will increase its number of opportunities for new business while also improving its closing success.

Lack of Communication

The champion and visionaries of your strategic market plan are key to its implementation. It is important to communicate your progress throughout the entire firm and to celebrate the successes. This will help build a sense of enthusiasm within your firm and enhance the commitment to a niche marketing strategy.

CONCLUSION

In an age where accounting and auditing fees are shrinking and consulting fees are rising, it is apparent that CPA firms must change their way of thinking or perish. A niche marketing strategy will allow you to offer your clients value-added services at premium fees. It will challenge your partners and staff. It will focus your energies on the greatest opportunities for growth for your firm.

Your challenge is to conduct a marketing audit of your firm, determine the niche areas with the greatest opportunities, select your champion, write your strategic plan, and implement and follow through. You may find that marketing an industry specialization is an effective method of growth for your firm.

EXHIBIT 3-1 **Sample Strategic Market Plan**

MISSION STATEMENT

Smith & Jones, LLP will be the market leader in providing accounting and consulting services to builders and contractors in the state of Wisconsin.

SITUATION ANALYSIS

Current Status of the Firm
Smith & Jones is a local, independent CPA firm with one office in the state of Wisconsin. Formed in 1977, the firm has grown to annual revenue of $6 million, ten partners, and fifty professional staff. This growth has enabled the firm to retain many talented partners and professional staff who are excited about continuing the success of the firm.

The firm has recently made a commitment to developing a niche marketing strategy and conducted a marketing audit to determine which niches to pursue. The construction industry was identified as an opportunity due to the volume of industrial and heavy highway construction in the state as well as the firm's solid client base. Also, John Doe, partner, has made the commitment to lead the construction industry services group.

Smith & Jones currently serves twenty construction industry clients, representing $400,000 in fees, and 6.7 percent of firm revenues. This client base can be segmented as follows:

(continued)

Exhibit 3-1 *(continued)*

SIC Code Classification	Number of Construction Clients	Revenue
General Building Contractors	10	$200,000
Heavy Construction	2	$ 50,000
Special Trade Contractors	8	$150,000

Services provided to construction clients currently include accounting, auditing and tax. To be more successful in this niche, it will be necessary to develop more value-added services.

Competition
Although several other CPA firms offer services to builders and contractors in Wisconsin, a market leader does not exist. The firm's main competitors are North and South, LLC, Williams, Lane & Company, P.C., and the local office of a Big Six firm. The strengths and weaknesses of these competitors are shown in the following table.

Firm	Strengths	Weaknesses
North and South, LLC	Strong marketing Aggressive	Quality of service
Williams, Lane & Company, P.C.	Good reputation in construction More established niche	Small size of firm
Big Six	Promotes multiple office locations Breadth and depth of services	Pricing

Industry Outlook
Residential
The rate of new home construction will decrease through the remainder of the 1990s. It is estimated that builders will put up 1.13 million new houses in 1997, or 2.6 percent fewer than in 1996. A 5 percent drop in apartment construction is predicted, to 291,000. This is down from the peak of over 2 million in the 1980s. This is due to high consumer debt, an increase in the inventory of unsold homes, and a decrease in the growth of new households. Remodelers will be busier keeping up with many new trends.

Industrial
McGraw-Hill Companies' F.W. Dodge Division forecasts that developers are expected to break ground on 140 million square feet of office space in 1997, up 12 percent over 1996, and 24 percent over 1995. Dodge estimates the value of new starts at $18 billion, a 16 percent jump.

Exhibit 3-1 *(continued)*

Kiplinger's also predicts that industrial construction will be stronger in the next few years. The restructuring of U.S. manufacturing will continue, including new plants and the retooling of older ones. Warehouse and distribution facilities will be needed in high-growth areas, distribution hubs, and major port cities.

(This section should also include industry information for your particular geographic area. This can be obtained through trade associations, and industry and business publications.)

OBJECTIVES

The plan's objectives are as follows.

1. Enhance the name recognition of Smith & Jones in the construction industry.
2. Identify and develop a famous person in the construction industry.
3. Develop value-added services to offer to construction industry clients.

STRATEGIES

The plan's strategies are the following.

1. *Enhance the name recognition of Smith & Jones in the construction industry.*
   - A. Develop a construction-specific brochure for use with clients and prospects sources.
     Person responsible: ____________ Deadline: __________
   - B. Develop a newsletter to distribute to clients, prospects, and referral sources on a quarterly basis.
     Person responsible: ____________ Deadline: __________
   - C. Join and take a leadership role in the local chapters of the following organizations:
     1. Construction Financial Management Association
        Person responsible: _______ Deadline: __________
     2. Associated Builders and Contractors
        Person responsible: _______ Deadline: __________
     3. Associated General Contractors
        Person responsible: _______ Deadline: __________
   - D. Develop a list of referral sources. Contact them regarding the firm's capabilities in the construction industry and send them the newsletter. Include the following:
     1. Attorneys
     2. Bankers
     3. Bonding agents
     4. Insurance agents
     5. Other

     Person responsible: ____________ Deadline: __________
   - E. Sponsor one seminar in this calendar year.
     Person responsible: ____________ Deadline: __________

Exhibit 3-1 *(continued)*

F. Develop relationships with the following local and national construction writers and publications:
   1. Constructor, AGC magazine
   2. CFMA Building Profits
   3. ABC Today
   4. Local chapter trade publications
   5. Local business publications
   6. Other

   Person responsible: ______________ Deadline: __________

G. Promote the activities of the construction niche group in the firm's internal newsletter.

   Person responsible: ______________ Deadline: __________

2. *Identify and develop a famous person in the construction industry.*

   A. Identify "power network" memberships.

      Person responsible: ______________ Deadline: __________

   B. Focus memberships of the construction industry team on industry-specific groups.

      Person responsible: ______________ Deadline: __________

   C. Identify skills enhancement opportunities, for example, public speaking, sales training, to enhance the ability of construction industry champion and team members.

      Person responsible: ______________ Deadline: __________

3. *Develop value-added services to offer to construction industry clients.*

   A. Survey (meet with) clients, prospects, and referral sources to determine the services needed and considered of most value.

      Person responsible: ______________ Deadline: __________

   B. Identify CPE opportunities to learn new service skills.

      Person responsible: ______________ Deadline: __________

   C. Identify services currently offered which can be targeted to construction industry clients.

      Person responsible: ______________ Deadline: __________

IMPLEMENTATION

Deadlines and responsible persons have been established for specific projects. The construction niche group champion and the firm's marketing director will guide the implementation phase.

EVALUATION

The construction niche group champion and the firm's managing partner will review the Strategic Market Plan on a quarterly basis.

BUDGET

[*An actual plan must include a detailed budget that will allow for the effective implementation of the Strategic Market Plan.*]

CHAPTER 4

BUDGETING AND TRACKING YOUR MARKETING INVESTMENT

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INTRODUCTION

In this chapter, we will discuss answers to the following questions. Why should marketing be considered an investment activity? What is the best budgeting method to use? How should a budget be prepared? How should the right investment of time and money be determined? How should the budget be tracked once it is finalized?

MARKETING IS AN INVESTMENT ACTIVITY

A paradigm shift is necessary for many CPAs when they plan marketing. In order to successfully plan and budget, a CPA should view marketing as an investment rather than an expense. "Marketing dollars are strategic, and strategic costs are the long-term lifeblood of the business. Marketing investment must be maintained in good times and bad," says management consultant Bob Fifer in his book, *Double Your Profits*.[3]

CPAs are not the only business people who are skittish about making a budgetary commitment to marketing. Lee Iaccoca once said that he knew that most of his advertising budget was wasted and if he could identify the successful portion, he would spend just that. But Iaccoca

[3]Bob Fifer. *Double Your Profits*. New York: Harper Business, 1995.

dramatically increased the marketing budget of the ailing Chrysler Corporation. More important, Iaccoca managed the marketing budget wisely so that he achieved consistency, integration, and leverage from his marketing investment.

In order to illustrate the potential return on a marketing investment, we will utilize a simplified CPA firm income statement, by assuming one-third of every incremental revenue dollar is direct cost, one-third is overhead, and one-third is profit before partner compensation.

Hypothetical Return on Marketing
A $33,000 Investment Produces $100,000 New Revenue

Total revenue per year	$100,000
Gross margin percent	33 percent
Gross margin	$ 33,000
Life expectancy of client	Seven years
Profits over seven years	$231,000
Discounted value at 10 percent	$161,000
Marketing costs (investment)	$ 33,000
Total profit	$128,000
Annual average (after payback)	$ 18,000

If a 33 percent profit is generated from each incremental dollar of new business, then an investment of up to $33,000 on marketing to generate $100,000 of new business would be profitable in the first year. Generating $100,000 of recurring business with a 33 percent margin, a firm would receive payback in year one and $33,000 additional profits each year thereafter. The discounted value of $100,000 of additional review over a seven-year client life-expectancy, with a 33 percent margin (using 10 percent) interest would be $161,000. Investing $33,000 in acquisition costs would reap a 55 percent annual return after payback.

In the short run, a CPA firm could gain up to a 67 percent margin on each incremental dollar of revenue generated at standard rates. Investing the full 67 percent into marketing could be a wise decision, particularly if the income were of a recurring nature. After obtaining a new client, cross-selling additional services and price optimizing can raise the margin significantly.

Using these calculations, one can understand the significant potential for a well-managed marketing program. This model, called the available gross margin theory, not only demonstrates the potential power of an investment in marketing. It can also provide a gauge for measuring the upward limit for marketing investment, which will be discussed later in this chapter.

WHAT BUDGETING METHOD TO USE

A marketing budget can easily be set based upon affordability, competitive parity, or industry ratios. But these are the least effective and most wasteful methods. The following sections address five methods, which are discussed in order from the poorest to the best, that CPAs use in setting a marketing budget.

Allocation Based on What You Can Afford

Investing what you can afford in marketing encourages impulse spending after good months and discourages marketing after poor months. Affordability is the worst criterion on which to base your marketing budget.

Allocation Based on the Competition

Matching the competition forces you to react, not lead. "Most truly successful and profitable businesses outspend their competition in marketing, either in absolute dollars or as a percentage of sales," says Fifer. Accountants have the potential for an excellent return from their marketing investment, but they must commit enough to make a difference.

Allocation Based on a Percentage of Past Sales

Allocating a percentage of past sales impedes growth. "If you look backward to determine your marketing budget, you are looking in the wrong direction," says Jay Conrad Levinson, author of *Guerrilla Marketing Attack*.[4] In a similar vein, noted author and consultant August Aquila said at the 1996 Association for Accounting Marketing Conference, "Don't try to drive forward by looking in the rearview mirror."

Allocation Based on Future Revenues

Planning and budgeting for future revenue is proactive and most appropriate. "Investing based on projected revenue forces you to look into the future, to act instead of react, to make and keep a commitment, and to be consistent," recommends Levinson. Marketing is very similar to a successful garden. Planting must always precede harvesting. If you want to harvest a certain amount of new business in the coming years, it is vital to determine now how much to plant in your practice development garden.

[4]Jay Conrad Levinson. *Guerrilla Marketing Attack*. New York: Houghton Mifflin Company, 1989.

Allocation Based on Objectives and Cost

Using the objectives and cost approach enables you to allocate the marketing budget among competing programs and to maximize profit. This method requires you to set objectives and marketing needs and then determine the cost to attain the objectives.

PREPARING A BUDGET

In preparing a marketing budget, consider a hybrid approach that utilizes the last two methods described in the preceding: allocation based on future revenues and allocation based on objectives and cost. The first step is to take the marketing objectives identified in your firm's marketing plan. Then, before setting a budget, a set of programs should be established in order to achieve the objectives. Each program is quantified based on not only the costs, but also the potential future revenues. This is the available gross margin theory mentioned earlier in the chapter.

The five key elements in the market planning and budgeting process are the following: (1) market communications, (2) market positioning, (3) new client attraction systems, (4) client sales (prospects and existing), and (5) existing client building. They correspond to the functional expense categories, as shown in the following table.

The Market Planning and Budget Process

Budget Elements	Functional Categories
Marketing Communications Client decision making Media Personal selling Push versus pull	Print advertising Radio advertising Television advertising Other advertising Direct mail Newsletters—internal Newsletters—external Brochures Information kits Advertising specialties Proposals Business cards Trade shows Public relations
Marketing Positioning Selection on position Segmentation of market Products and services Pricing	Marketing research and competitive analysis Name, color, theme, and logo development Books published Product training Outside consultants

(continued)

Budget Elements	Functional Categories
New Client Attraction Systems Target marketing Awareness development Differentiation	Free initial consultation Trade organization due and expenses Civic and community activities Telemarketing Yellow pages, classified ads, and inserts Networking training
Client Sales Media Personal selling	Proposal development Presentations Personal selling Sales salaries and costs Sales training
Existing Client Building Loyalty assurance Price optimization Cross-selling Referral development	Mailing list maintenance Client entertainment Receptions and open houses Referral programs Ad specialties Team sponsorships Advisory boards Client service training Seminars Focus groups Reprints

An accounting firm has two investment commodities: cash and time. Assembling a marketing budget should encompass both. David Maister, author of *Managing the Professional Services Firm*, says, "A major responsibility of firm management is to set the ground rules for investment of firm funds."[5] Marketing is fundamentally an investment decision. Maister says, "A competitive advantage doesn't come free." For an established firm wishing to have a balanced marketing program, the rules of thumb shown in the following table would apply:

	Dollars	Hours
Marketing Communications Dollars*	40–50%	
Marketing Communications Hours		15
Positioning	10	10
New Client Attraction	30	25
Client Sales	30	25
Existing Client Building	30	25
	100%	100%

*The dollars for Marketing Communications are distributed among the categories below.

[5]David Maister. *Managing the Professional Services Firm*. New York: Free Press, 1993.

This formula is not a pat answer for allocating the budget. For a brand-new firm 80 percent to 90 percent may be devoted to new client attraction and sales, whereas a mature firm that has a recent history of client turnover may devote 75 percent to existing client building. If the mature firm that has no recent client losses focuses too much marketing on new clients, the following two things tend to occur.

1. Clients begin to feel being taken for granted, which affects their loyalty.
2. The potential revenue from firm price optimization, cross-selling, and referral building are missed.

Out-of-Pocket Investment

Once marketing objectives and action plans have been decided, an out-of-pocket amount can be set. When determining the amount, keep in mind not only the costs but also the potential return, using the available gross margin theory discussed earlier in the chapter. This theory can help a firm determine the upward limit for marketing investment. For example, suppose a practice is grossing $1.5 million and seeks $75,000 in new client recurring revenue. It could budget up to $50,000 (dollars and time). If the revenue were totally nonrecurring, $7,500 to 15,000 (10 percent to 20 percent) would be the upper limit, without other factors interplayed.

Use the first two tables of exhibit 4-1, "Marketing Budget Worksheets," to record the out-of-pocket investment allocated to your marketing budget. Since marketing communications affects all areas of the budget, it is budgeted first under "Marketing Communications," and then reallocated to the functional areas under "Out-of-Pocket Investment." Also, unless they truly are used for marketing purposes, employee perks such as country club dues, donations, and similar items should be excluded.

For broad guidelines, various MAP studies indicate that most accounting firms spend between one and three percent of their firm revenue on marketing. Most of these surveys account for only the out-of-pocket marketing costs and generally do not include an allocation for part-time staff costs. Anecdotal information indicates that some of the more aggressive firms spend upwards of 6 percent on marketing. One consultant told me that if a firm would not commit at least 3 percent to marketing, he would not work with them.

Staff Time Investment

A number of firms have abandoned the notion that everyone should be involved in the complete marketing process. These firms have hired full-time telemarketers and salespeople to attract new business. Others have identified a small cadre of the professional staff as the "sales team." Even though full-time salespeople are valuable, if you allow your staff members to opt out of their marketing responsibility, you are eroding your firm's future. How your professional staff spend their chargeable time determines your income in the present; how they spend their nonchargeable time determines your income in the future.

A full 40-hour week (without overtime) will generate 2,080 accountable hours during the course of a year. Run a check on your staff to determine the number of hours not charged to engagements. Suppose you find your average person charges 1,800 hours to clients, 40 hours to CPE, 80 hours to vacation, 60 hours to holidays. What are they doing with the other 100 hours? Suppose you give them a budget of 40 to 60 hours of practice development and ask them to get active in your marketing efforts. Your firm's future will be stronger because you will be training people early in their careers to focus on building clients.

Harvard professor Theodore Levitt said, "Every employee should be responsible for creating and building customers." The CPA firms that let their younger staff off the marketing hook early in their careers are setting up those staff persons for either a rude awakening or a career change later on. Many highly skilled and experienced people leave in their fifth year or so because, at that point, they do not want to start doing something they've never done before: Attract clients.

Every person in an accounting firm should have a portion of the marketing budget assigned to them, both in hours and dollars. Every person should be accountable for the manner in which they spent the budget and should be rewarded or punished on that basis. Gary Conde, marketing consultant and CPA, gives an example of a CPA firm managing its marketing budget. He says that when he joined Arthur Andersen, he was assigned to a civic organization.

Whatever your approach to marketing, the time devoted to marketing should be recorded. Use "Staff Time Investment," the final table of exhibit 4-1 "Marketing Budget Worksheets," to record staff time investment.

TRACKING THE INVESTMENT

Exhibit 4-1, "Marketing Budget Worksheets" records your firm's proposed investment of time and money in marketing. Since the investment can be monitored, a system should be established for doing so. See exhibit 4-2, "Budget Case Study."

The best way to track the investment of time is to make slight modifications to your firm's time sheet so that a selection of approved marketing activities can be tracked just as if you would track the activities carried out for a client engagement. Firms that employ a separate tracking form will meet resistance from staff members and will often fail, unless management is unbending in its requirement to complete the form. In order to track out-of-pocket costs, simply include line items in your monthly profit and loss statement with the same labels as your budget worksheet.

As excellent tool to aid you in targeting and tracking marketing activity is contact management software (CMS). CMS can help you add value to your practice in your management of your network of clients, prospects, and referral sources. CMS enables you to maintain a database, history, to-do list, contract plan, marketing strategy, word processor, and tickler file all in one system. CMS has been developed primarily for sales organizations and for businesspeople who need to maintain a wide network of contracts. The serious marketing program in today's CPA firm will utilize a CMS as an aid in the management of your network.

Management should review their firm's investment in marketing activity monthly to ensure adherence to the plan. Each staff member should receive a report of their marketing activity against their budget, similar to the charge utilization reports that many firms employ. If you post your utilization report in the staff room, post your marketing report next to it.

Resist the urge to judge your return on investment too quickly. Heavy activity in one event will not normally result in increased revenue from that activity next month. Sometimes, your return will be years in coming. One firm I worked with agreed to hold a series of receptions for a choice group of referral contacts. After the first reception, the managing partner asked everyone, "Did you get any business?" No one said yes, so he canceled the other planned events. About six months later, a $22,000 referral resulted from the one and only reception. The next year the firm held six receptions right on schedule. Today, three years after we began, this small firm is attracting over $250,000 of new business annually from referrals.

CONCLUSION

As a rule, most CPA firms do not spend too little on sales and marketing; they fail to develop a consistent, integrated, and leveraged budget and manage it. Many CPAs simply equate marketing with selling and fail to consider all parts of the system. With good planning, structuring, and management, the return on your marketing investment can be dramatically improved and the waste reduced.

EXHIBIT 4-1 **Marketing Budget Worksheets**

Marketing Communications

	Total Budget Amount	Marketing Positioning	New Client Attraction	Client Sales	Existing Client Building
Print advertising					
Radio advertising					
Television advertising					
Other advertising					
Direct mail					
Newsletters—internal					
Newsletters—external					
Brochures					
Information kits					
Advertising specialties					
Proposals					
Business cards					
Trade shows					
Public relations					
Other market communications media					
Total					

Each total for positioning, prospect attraction, sales, and client building should be included on the reverse side of an actual form.

(continued)

Exhibit 4-1 *(continued)*

Out-of-Pocket Investment

	Budget Dollars	Marketing Positioning	New Client Attraction	Client Sales	Existing Client Building
Market research and competitive analysis					
Name, color, theme, and logo development					
Books published, industry position papers					
Product training					
Outside consultants					
Free initial consultations					
Trade organization					
Civic and community activities					
Telemarketing					
Yellow pages, classified ads, and inserts					
Networking training					
Proposal development					
Presentations					
Personal selling travel and entertainment					
Sales salaries and costs					
Sales training					
Mailing list maintenance					
Receptions and open houses					
Referral programs					
Ad specialties					
Team sponsorships					
Advisory boards					
Client service training					
Seminars					
Focus groups					
Reprints					
Marketing communications (from reverse side)					
Other programs					
Totals					

Exhibit 4-1 *(continued)*

Staff Time Investment

	Budget Dollars	Marketing Positioning	New Client Attraction	Client Sales	Existing Client Building
Market research and competitive analysis					
Name, color, theme, and logo development					
Books published, industry position papers					
Product training					
Outside consultants					
Free initial consultations					
Trade organization					
Civic and community activities					
Telemarketing					
Yellow pages, classified ads, and inserts					
Networking training					
Proposal development					
Presentations					
Personal selling travel and entertainment					
Sales salaries and costs					
Sales training					
Mailing list maintenance					
Receptions and open houses					
Referral programs					
Ad specialties					
Team sponsorships					
Advisory boards					
Client service training					
Seminars					
Focus groups					
Reprints					
Marketing communications					
Other Programs					
Totals					

EXHIBIT 4-2 **Budget Case Study**

Your accounting firm has been rather successfully generating $3 million of revenue in one of the major markets of the United States. You believe that you have potential to grow your practice through increasing your market share because you assess that your share is around one percent of the total market and about 5 percent of the share for local firms. Your practice is oriented toward corporations and their executives. In addition, you are seeking high net worth individuals that have the capital to own businesses. Your minimum tax return is $500.

In the past, you have budgeted less than 2 percent of annual revenue for marketing. But because you have confidence in your thirty-five employees' ability to sell the firm, you are willing to significantly increase your 1994 to 1995 budget to $100,000.

You have established an objective of $300,000 of additional revenue for the next twelve months. You will increase your average blended billing rate by $2, decrease your realization losses by 2 percentage points, and cross-sell services to clients of $40,000. The remainder will come from the new clients you expect to develop during the year.

The following are excerpts from your marketing plan. Please place them in the appropriate sections of exhibit 4-1, "Marketing Budget Worksheets." The complete budget is not included because we only need to work through the information necessary to understand the forms:

1. You are going to purchase an advertisement monthly in the local bar association newsletter. In the past, lawyers have been an excellent source of referrals but you have no lawyer clients. The purpose of the ad is to keep your name in front of attorneys who may continue to refer business. The total annual cost is $3,000.
2. You are going to purchase coffee mugs with your logo to give to all your clients' accounting personnel (300) and to provide to significant prospects to whom we propose during the year (50, we hope). In addition, all your banker and lawyer friends will receive one when you meet with them for lunch or they visit your offices (100) and you will maintain the other 50 in the office for entertaining guests and to improve staff morale. Total cost: $1,500.
3. Other market communications efforts cost $30,000 and are split as follows:
   - 10 percent—market positioning ($3,000)
   - 40 percent—prospect attraction ($12,000)
   - 20 percent—sales ($6,000)
   - 30 percent—client building ($9,000).
4. Your marketing director and partners will spend about 240 hours laying out ads, preparing newsletters, reviewing copy, purchasing ad specialties, and so on. The hours would be allocated using the same percentages as in item 3.
5. You are going to participate in the Chamber of Commerce annual business trade expo. You will utilize 300 hours of staff time and spend $3,000 to exhibit to the attendees, most of whom are small business owners and salespeople of businesses throughout your community. You do not know whether your clients will come or not.
6. You agree to hold four seminars with a local stockbroker for your clients and his. Your share of the cost will be $2,000 and you will invest approximately 80 hours of staff time for writing, rehearsing, presenting, and attending the seminars. You expect to have as many nonclients as clients in attendance.

(continued)

Exhibit 4-2 *(continued)*

7. In addition, you agree to spend $60,500 in various programs allocated 10 percent to positioning, 40 percent to prospect attraction ($26,000), 20 percent to sales ($13,000), and 30 percent to client building ($19,500). (Plot this using exhibit 4-1, "Marketing Budget Worksheets," on the last line under "Out-of-Pocket Investment.")
8. You will allocate an additional 5,000 hours of staff time to marketing, of which 10 percent will be devoted to positioning, 30 percent to prospect attraction, 40 percent to sales, and 20 percent to client building. (Plot this using exhibit 4-1, "Marketing Budget Worksheets," on the last line under "Staff Time Investment.")

Instructions are as follows:

- Add up the various budget items.
- List the discussion questions.
- Does the budget as you know it meet your satisfaction as to the following:
  - Consistency
  - Integration
  - Leverage
- Is your budget in balance to achieve your revenue objectives?

CHAPTER 5

MARKETING THE MULTI-OFFICE FIRM

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INTRODUCTION

Marketing the multi-office firm creates unique challenges. These challenges spring from the following four fundamental differences between managing single-location versus multiple-office marketing:

1. The reporting and accountability relationships are complex as a result of multiple "bosses."
2. Market analysis and strategy, influenced by the individual offices' service capabilities, may vary by office location and with them, the marketing strategies and tactical investments.
3. Marketing administration systems for gathering market intelligence, client information, marketing tools and tactics management, and results tracking require an integrity and sustainability that is more critical than to the single location's more fluid communication flow.
4. Communications are more difficult with numerous locations.

This chapter explores how to engineer solutions to tackle these relentless challenges and discusses staffing issues.

REPORTING AND ACCOUNTABILITY RELATIONSHIPS

In the multi-office firm, success starts with goal setting. Equally important to setting performance goals is the necessity to define performance measurements, which define how the marketing director and partners know that the goal has been reached.

Although clear goal setting is the universal starting point for all public accounting firms, the need for clear goals and performance expectations is heightened in the multiple-location firm setting by the tendency for partners and staff in area locations to widely interpret marketing's function. Further, it is essential that measurable outcomes are prioritized and tracked to reinforce the priorities of the firm, region, or economic unit.

The challenge is that not all locations need to have the same nature and degree of activity and influence. The size, market sophistication, and experience levels of professionals in one office may starkly contrast with those of another. The marketing strategies for each location may vary, and each office may have a diverse set of products and services that are performed, location by location.

To shape the firm's performance goals and measures, the following elements need to be identified:

1. Three top core business strategies and critical success factors for the firm, region, or district as a whole
2. Critical behaviors that partners and professionals must demonstrate in order to achieve the top three firmwide success factors
3. One core business strategy, set of critical success factors and corresponding critical behaviors identified for each location

By identifying a small number of important, shared, and high-impact strategies and success factors, and the corresponding human behaviors, skills, and knowledge that will be necessary to achieve the strategies, the firm can consolidate resources and increase effectiveness. Performance measures can then be assigned to activities, and outcomes will be undertaken.

MARKET ANALYSIS AND STRATEGY IMPLEMENTATION

The single-location firm establishes its core marketing strategy with relative ease when compared to the multi-office firm. The single-location firm has all of its resources in one centralized geography; and its target marketplace radiates from a single center point. The single-location firm easily focuses and manages its presence within the immediate geographical market. For those markets outside the immediate geographical area, a single group of decision makers under one roof can determine where and how to build its presence. Most important, the firm's core competencies are all contained locally. Market analysis and internal capabilities analysis are performed by a group under one roof for whom communication and decision making is logistically uncomplicated and inexpensive. The multi-office firm's situation runs counter to each of these single-location firm advantages. In addition to marketing planning, the marketing implementation is complicated by inconsistencies in capabilities for service delivery, location to location. The marketing strategy and tactics for a given service line are not able to be rolled out as if there were consistent product and service offerings for each office.

Perform Analysis Using Uniform Standards

The following three sets of analyses are necessary to establish a core marketing strategy.

1. Assessment of the firm's core competencies, meaning its people's talents and its deliverables
2. Assessment of the market, meaning who and where the buyers are
3. Assessment of the market demand, meaning services and how those services are packaged

For the multi-office firm, the definition of "core competencies" may vary depending on which location is doing the defining. The variance may come from the breadth of competencies or the array of service capabilities that an office group has. It may also vary in depth or level of expertise, within the service line. The individual markets will differ depending on the geography, competition, and nature of competencies being promoted as services by the office. The market demand for services will vary depending on the market and the location's skill in packaging and promoting the services to the immediate market. Market demand is influenced by the buyer's awareness of need for services, as well as the office's skill in being known for its expertise.

The first challenge is to sort through the strengths, weaknesses, opportunities, and threats (SWOT) for each office and for the firm as a whole. There are a variety of SWOT analysis techniques the marketer may use. The key is to map out in advance the *standards* for defining a strength or weakness, opportunity, or threat. Standards should be defined with objective terms, and quantifiable measures that allow the evaluation of *relative* strengths and weaknesses, opportunities, and threats across the offices. For many firms, a few offices will be exceedingly strong in most suits. Their relative weaknesses and threats are quite different than those of another office whose service capabilities, market profile, and client base are in general relatively weak. The point is that a SWOT analysis should both help the location see its own position, but also show each office's position relative to the firm as a whole.

Another common market analysis tool is the industry analysis, according to which the office's capabilities to serve a given industry are compared with the size and breadth of the industry, and the office's packaging of its services. This is an example of structuring an analysis to qualify both market characteristics and office competencies to meet what the market is demanding. Conducting the analysis in a consistent, structured format enables a comparison of different geographic market characteristics for the industry and internal capabilities within the firm. This consistent format allows the firm to make investment decisions based on determining what is most critical from a market demand and service delivery standpoint. It also enables the firm to determine how broad-based a marketing campaign or industry marketing initiative should be and how closely it aligns with the topmost firm strategies and critical success factors.

The services portfolio analysis for a multi-office also poses challenges. The single-office firm has the luxury of pinpointing where its competencies, its buyers, and its industry expertise intersect as strengths and, thus, the marketing strategy and packaging of services become fairly straightforward. For the multi-office firm, the competencies that buyers in a given industry are seeking may not reside in the office location near the buyers. Or, perhaps none of the offices have developed industry-specific expertise, and the competencies for the entire firm are unfocused. The firm's challenge is to determine the most promising intersections of markets and service capabilities and how to invest resources to market them. The firm must then identify what will be necessary to develop and extend the market-service mix.

Creating Economies of Scale

Understanding the challenges the offices are facing can establish whether problems are common—experienced by many of the offices—or unique. If the problem is commonly shared, then a solution could be developed that can be carried to each office. If the problem is unique to a location, the firm can evaluate it in light of strategic priorities and determine whether and how it should be addressed.

In marketing multiple offices, the firm strives to achieve a balance between meeting the unique needs of each location and its market, and attaining the economies of scale inherent in developing marketing approaches for the overall firm, region, or district. Whenever marketing strategies can be implemented across offices, the developmental costs per office decrease, and implementation experience increases. This is one clear advantage to committing the marketing director's time to focusing on a strategy that benefits more than one location. Another is that a well-executed program stands a better chance of success and builds partners' and others' confidence and trust in the marketing process.

To offset the location partners' disgruntlement with not having the marketer personally at their disposal to "do" the marketing work, the marketing director can take a different approach to minimize the partner and staff time spent doing marketing tasks. This is through preparing and distributing ready-to-use marketing materials and program kits. Examples of this include the following:

1. *Press kit.* This is a series of sample press releases of common occurrences (for example, staff promotions and staff who pass the CPA exam). The publication, its address and contact person, and a sample cover letter accompany the releases.
2. *Ad kit.* This portfolio of ads is developed by the firm and available for modification for the local office's use. Instructions describe how to "order" ads from the marketer.

3. *Letter file.* This is a file of sample letters used frequently in practice development efforts, such as follow-ups to seminars, luncheons, or the first meeting with a prospect. This file can be hard copy and on diskette. The marketer should continuously update the file as well-written letters are developed.
4. *Seminar planner.* This guide on how to plan, implement, and follow up a seminar should include samples from previous seminars (such as announcements, programs, evaluation cards, and follow-up letters) as visuals that will aid the planning process. In addition, the planner should provide worksheets for the seminar's theme, objectives, budget, and planning time frame. Whenever possible, a seminar that is transferable from one location to another can be produced en masse so that only the title page needs to be customized. In addition to the seminar materials, written tips on how to prepare for giving the seminar will help professionals.
5. *Trade show planner.* Instructions should be included on how to determine whether the location should participate in a given show, and if so, what the pre-show, during show, and after-show program should be. Guidelines may also cover how to design an exhibit, instructions on how to use exhibit displays owned by the firm, or tips on how the professionals should conduct themselves during the show.
6. *Newsletters.* One of the most cost-effective mass-produced tactics is newsletters. Newsletters reinforce the firm image, as well as educate clients, the referral network, and staff about timely issues, and your services and capabilities. Depending on the firm's size, the marketer may elect to produce the firm's newsletter in-house, or buy one from a publishing house that will print it with the firm's logo. Some publishers will customize the newsletter with a column or page of information generated by one of the firm's professionals. The key to effectively using a newsletter is to have an up-to-date mailing list that ensures that the newsletter gets to the right person.
7. *Training.* Most multi-office CPA firms conduct in-house training for staff and partners on communications, marketing, and sales skills. Training is an excellent forum to educate staff and remind partners about the firm's mission and their role in helping to achieve it. Often, the "basic" communication skills are highly valued: how to introduce yourself and the firm, networking, effective writing, making small group presentations, telephone etiquette for the professional, as well as sales techniques. The marketer may either develop a program internally and fold it into the firm's CPE program or screen outside training sources for the firm.
8. *Proposal bank.* Guidelines on both the form and content for proposal preparation, including a statement of client needs, capabilities, firm history, and experience profile with similar industries or services, and resumes. Guidelines should include layout format, including margins, headings, table of contents, use of tabs, and covers. The proposal bank should file proposals according to a useful sort, such as by industry, with a cross reference to the services proposed. The index

should indicate whether the proposal was successful in landing the work.

These are several ideas that illustrate "packaged solutions." Other marketing tools that lend themselves readily to packaging and are easily customized by location include client satisfaction surveys, brochures, bulletins, and client "how-to" booklets, such as a client's guide to business planning. The key point is to develop packaged solutions that answer a broad-based need and are easy to implement at the location level.

MARKETING ADMINISTRATION SYSTEMS

There are two fundamental challenges in establishing marketing administration systems. First, there must be a compelling purpose behind setting up and maintaining any system so that the information is useful and accessible at the location office. Second, there must be a resource at each location office committed to performing routine marketing systems maintenance.

There are four primary groups of marketing administration systems. The character and complexity of the components will vary by firm's purpose and system sophistication; however, the underlying functional purpose remains the same for most systems. These groups with their chief components are summarized in the following lists.

1. *Market intelligence* includes the following:
   - Market research
   - Buyer behavior information
   - Prospect lists
   - Competitor information
   - Marketing plan, budget, time lines
2. *Result tracking* includes the following:
   - Personal marketing plans
   - "Wins" and "losses" close ratios
   - Budgets and forecasts
   - Financial results by market segment, service, location
   - Marketing audit
   - Analyses: marketing expenses-to-revenues; leads-to-proposals-to-wins
3. *Client information* includes the following:
   - Client database
   - Referrals in and out
   - Client satisfaction surveys
4. *Marketing tools and tactics* include the following:
   - Schedules
   - Files
   - Pricing for services and supplies
   - Contract sources

Whether or not to set up a system is driven by the degree of need. Will the information this system provides make a difference to the location's decision making? If the information won't change decisions made at the office, the rationale for installing it may be insupportable. Next, consider how closely the decision making aligns with the firm's top strategies and critical success factors. To the degree that the information affects the firm's critical behaviors, the system rationale becomes stronger. Of course, this is true for any system introduction. But in the case of a system that resides in or is used by multiple offices, the investment and complexity of operation grows considerably.

When considering the system's purpose, consider the following three major dimensions of system operation and examine them in terms of the questions posed in the following list:

1. *Set up.* What is practical in terms of time and expense?
2. *Maintenance.* Who will gather and input information? What is the source of technical help? Who will update and "clean up" data, and the coordinating linkages locally and centrally?
3. *Expansion.* What is the vision for how needs will change? What impact will technology make on the system now and in the future?

Determine how easily the location office can use the system.

One of the chief pitfalls of multi-office systems is that the information often is not accessible or relevant at the location level. For example, many firm client information systems are maintained centrally with reports distributed locally about current clients, services rendered, and account balances. Usually, this system is initiated by billing needs, but grows into being the chief client information retention system. At the location level, information about which services clients are buying and at what profit margin is nearly impossible to generate from a firmwide system. Location partners must rely on office-generated worksheets and records. Firmwide systems run the risk of generating statistics, not usable information. Contrast this with a single firm with a central client information system built to serve the decision making of that location.

In addition to the purpose for the system and how the information will be used, the firm must consider whether to house the system centrally and distribute the information to the offices, or to have the system reside within each office with summary reports, organized in a consistent format, coming into the district, region, or firm central coordinating point. The concerns with setup, maintenance, and expansion may shape that decision.

Determine the location support person to maintain the system.

Usually, it is the role of the marketing director to set up and maintain the marketing administration systems. In the multiple-office firm, often the maintenance of these systems is carried out by a location resource person, perhaps a staff accountant, administrative assistant, or a marketing coordinator.

The firm must consider who will be operating and updating the system, and interpreting information. People must be trained in this function, whether they are performing administrative support duties, or partner information interpretation and analysis. Many well-designed systems fail to deliver because people do not learn how to use and maintain them.

COMMUNICATIONS

In the multi-office firm, it is critical to continually communicate the marketing goals of the firm and offices, and the current status in attaining them. The following are four methods for doing this.

1. *Internal newsletter.* The firm should have a periodic marketing bulletin that describes initiatives undertaken across the offices, as well as new marketing tools, and highlights how to roll them out. The bulletin should mention the participation of partners and staff on task forces and other joint initiatives and what progress or outcomes have been achieved. Each location should have a weekly or monthly newsletter that describes new work obtained, events, awards, and marketing and professional developments. This newsletter may also include updates on office policies, procedures, and general news. It doesn't have to be fancy, but it must be produced consistently. The objective is to keep people upbeat, informed, and mindful of marketing's role in their daily lives.
2. *Partners' meetings.* Local and regional partners' meeting should carry news about what's working from one office to another. The ideas should be presented as a resource available to each office. Demonstrating the results that are being achieved somewhere in the firm heightens the partners' receptivity to marketing in their own location.
3. *Strategic committees.* Industry task forces, project groups, and product introduction teams that generate and implement marketing and client service ideas can be a powerful force for communication. The marketing director should either participate in such groups or stay fully informed so that the benefits of the group's work can be carried to other locations.
4. *Marketer's annual report.* A year-end summary of priorities achieved, projects, budget results, and overall financial performance compared with marketing and business plan goals may help some partners understand how the firm's marketing efforts have been implemented and with what results. This is also the opportunity to reinforce firm

strategic priorities and show how these translate into marketing activities and ultimately business results.

STAFFING ISSUES

The marketing staff of multi-office firms usually consists of the marketing director who oversees the firm's marketing strategy as a whole and the marketing coordinators in the local offices who administer the marketing programs and work with and support the marketing director. In reality, whether a firm is a single office or a multi-office, the partners should be doing the significant marketing and sales activities. Below is a discussion of considerations for each position.

Marketing Director

The following four things shape the marketer's success and influence within the firm:

1. Initially, the marketer's background and track record
2. The firm's overall growth and name recognition if these are specifically tied to planned marketing initiatives
3. Individual partners' success when the success is linked to planned marketing efforts
4. Inclusion in decision making by partners who carry clout.

Some specific qualifications to look for when hiring a marketing director for a multi-office firm include the following:

1. *Experience in professional services marketing*. If the marketer comes from a marketing role in a professional services firm, and particularly from another CPA firm, the individual will usually generate strong initial confidence among the partners. Outside of professional services, a marketer with experience working with intangibles will have higher credibility than someone who has marketed products.
2. *Multidisciplinary responsibility*. An individual who has multidisciplinary responsibility, such as both marketing and sales management rather than responsibility solely in public relations, will generally create a stronger image in the eyes of the locations.
3. *Experience working with multiple locations*. Experience working with multiple locations, particularly in matrix organizations, will be influential in demonstrating that the marketer knows how to handle the dynamics of working through influence rather than direct reporting.
4. *Industry experience*. Industry experience may be very important, particularly if the offices are industry-focused.
5. *Other*. Male or female is less significant than age; the older the candidate, the better his or her ability. Advanced degrees and marketing and business training offer only initial credibility.

How should the incoming marketing director, or the incumbent who wishes to revitalize his or her profile with the partners, take advantage of strong personal experiences? He or she should describe them. The marketing director may assemble a set of brief written case studies about marketing situations he or she has encountered that are similar to ones the office or offices are facing, how the marketing director handled the situation, the role of others, and the outcome. Another idea is to include a customized biography as an attachment to a marketing update. The biography should highlight strengths that address experience with challenges the current offices are facing. Finally, the managing partner should be aware of the marketer's experiences and strengths, and should promote these as anecdotes during conversations with partners.

Paradoxically, the marketing director's marketer's value grows in direct proportion to how much he or she does *not* do — at least not directly. The marketing director's primary functions are to be a roving educator and interpreter, the glue that binds the area offices together in their efforts to grow. The lion's share of a firm's results will and should be achieved by the practitioners. Both because of the nature of selling a personal service and the impact of sheer numbers of potential salespeople, the CPA will usually be in a stronger position to identify and close on service opportunities. The marketing director must be the catalyst to (1) activate, (2) supply with tools, and (3) coach the practitioners to enable them to achieve results.

This takes an ego that is capable of balancing between being a rallying, driving force, and a transparent support. On the microcultural level, the multi-office marketer must know each partner and manager and their personal goals sufficiently to understand what kind of support would most benefit the individual. On the macrocultural level, the marketer must balance the scales between treating each office as a one and only client, yet encircle that relationship with the office's fit within the firm as a whole.

The expectation gap between top management and location partners is natural and unavoidable, but must be managed. Top management expects systemic change *(The Big Picture)*. At its heart, this means a culture and business operations change that is consistent with the direction the firm as a whole is headed. Location partners, on the other hand, expect the marketer to relieve some of their burden. Their interest is in having the marketer "do it for them," making the effort easier and less time-consuming, and distracting fewer billable hours away from both partners and staff. In the case of the multiple-office firm, offices also may view their needs as being independent and in competition with the firm's needs.

This may be further encouraged by some firms' decision to "pay for" the marketer's function by allocating his or her overhead equally or proportionately to each office. This action implies to the office that those partners have the claim to define what services they want from the marketer, and how performance and office satisfaction should be measured. Not surprisingly, location partners will often base the marketer's value on what she or he gives them. This includes number of visits, campaigns, tools, and systems the marketer has brought them directly and helped them put to use. A number of marketers allocate time to each office based on the proportion of the marketer's overhead allocation contributed by that office. This is balanced by the decision on what initiatives are brought to the office that are consistent with the firmwide marketing strategy, critical success factors, and critical behaviors. Further, the marketer can establish the cost and benefit for each location's participation in this marketing focus, based on how consistently each office will implement what is developed and emphasized firmwide.

A crucial element is to close the expectation gap between what the firm directs the marketers to do and what the locations expect. The key is the relationship between the marketer and the managing partner (or to whomever the marketer reports), and it is vital for the following three reasons.

1. The managing partner sets the vision for what marketing is supposed to achieve.
2. The managing partner controls the purse strings and other resources.
3. The managing partner can lend credibility to marketing efforts by linking them to other meaningful practice goals and initiatives.

The managing partner and marketer as a team can come across very powerfully. The sense of team reinforces a commitment and firm clout to the marketing effort that says, "This is important, as important as firmwide messages about financial numbers." When people observe that the marketer is a spokesperson, and in some regards a deputy for the managing partner, they begin to see the inherent connection between the firm's marketing activity and its business goals.

Marketing Coordinator

The role of location marketing coordinator is one by which an administrative person in each location coordinates marketing activities between the local office and the firmwide marketing director. The marketing coordinator serves as the contact point through which marketing information flows in and out of the office. Second, the coordinator supports the office in carrying out routine marketing tasks that are best handled locally, such as press announcements, seminar arrangements, and the firm's stock ad placements. The objectives for this position are to take administrative load off the location marketing partner, to avoid frustrating bottlenecks caused by locations having to wait for the marketing director to get back from another location to help them, and to put the marketing director's time more heavily on advancing the competitive position of all the offices.

Who determines the role of the marketing coordinator and who is responsible for hiring him or her? One approach that works particularly well is for the marketing director to create the job description and define the role, but allow the local office to select the person to fill that role.

Depending on the duties, the firm can name the existing administrative or staff person who will fill the role along with other duties or to choose to hire a dedicated marketing coordinator. This approach accomplishes two important goals. First, it helps keep quality control and consistency across offices in which marketing administrative support activities will be executed and to what standards. By defining the *role* and making the role an expectation for all offices, regardless of how they fill it, the marketer increases the likelihood that the position will be successful for the office, consistent with the firm's goals. Second, this approach enables the office to customize the marketer's role to the firm's culture and overall business operations.

The marketing director must consider these local office marketing coordinators (whether full-time or part-time functions) to be an extension of the multi-office marketing team. Usually, neither the location coordinator nor the location practice development partner direct reports to the marketer. Nevertheless, they must exercise influence and encouragement to show why the local marketing coordinator should attend periodic training sponsored by the marketer, and participate in routine conference calls, update reporting, and consistent systems across the offices. Often, the opportunity to become a part of a larger-than-the-office team and to build skills will be strong incentive for the local marketing coordinator. The practice development partner may need to have defined the specific systems support training and packaged solutions that the coordinator will bring back to benefit the local office.

Partners

One way to help each office see its contribution and provide incentive for the individual partner to join in is to translate firmwide and office goals into personal goals. Marketing for the CPA is a very personal undertaking, because he or she is largely promoting personal competencies and a commitment to deliver.

Personal action plans can be a very powerful way to bring about systemic change. Most people operate according to What's-in-it-for-me (WIIFM). The personal action plan should be designed to uncover what the partner is good at and motivated to do, while contributing value to the office. It is important that the action plans be distributed for review among the location partner group. If an individual is off track (off strategy), the group should help determine in what ways the individual can contribute most to the office's success. For more information, on personal marketing plans, see chapter 1, "Developing a Personal Marketing Plan."

SECTION II

MARKETING TACTICS: WHEN, WHY, AND HOW

CHAPTER 6

VIDEO: CADILLAC OF THE MARKETING MEDIA

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INTRODUCTION

Heard at accounting offices across the nation: "Video? Out of the question. Too expensive!" "I'll make a fool of myself in front of the camera!" "Video is for manufacturers—we don't sell products." "We're not ready—we don't even have a decent brochure." "Our partners are too ugly!" "Our clients will think we've gone Hollywood."

How many of these retorts have you heard when considering technologies such as video to promote your firm? Actually, accounting firms across the nation are developing marketing approaches that until recently were considered out of the question. Producing a video to promote your people, services, and culture is a great way to jump-start your marketing program, and it is easier and more affordable than you might think.

Author's note: This chapter was contributed during the time that I served as Executive Director of Marketing for Boulay, Heutmaker, Zibell & Co., P.L.L.P. in Minneapolis. In early 1998, I accepted a position as Managing Director of Marketing for Larson, Allen, Weishair & Co., LLP, headquartered in Minneapolis.

There are many applications for video in an accounting firm environment including the following:

- Promote your firm.
- Train your employees.
- Document special events.
- Market to a niche industry.
- Feature a particular service or program.

Covering the entire gamut would fill more pages than there are in this book, so let's focus our energy on the production of a video that promotes your firm as a whole, shall we? If you are planning to produce your first video, this approach may be the most useful.

The ink in this chapter is devoted to giving you an overall idea of what's involved in producing and distributing your own promotional video. We won't get into the nuts and bolts of running the camera and developing sound effects. Instead, we'll examine the issues that may concern you most in overseeing the overall production of a video. Although you may not find all the answers you need to get to the end product, you'll get an inside view of some important basics based on our own experience with the medium.

Our firm, Boulay, Heutmaker, Zibell & Co., P.L.L.P. (BHZ), in Minneapolis, produced one of the accounting industry's first nationally acclaimed, award-winning videos in 1995. That video has proved to be an excellent tool for showcasing our firm's people, services, expertise, and culture. Video gives us a critical competitive advantage because it helps us share something that people can't see, touch, or taste: our style of carrying out accounting and consulting services.

When you think about it, it doesn't take financial genius to understand what an accounting firm has to offer. Businesspeople usually know what is involved in business valuations, audit and tax services, personal financial planning, and mergers and acquisitions work, for instance. Does this mean that, because accounting firms offer the same kinds of services, they are all the same? Of course not. What it does mean is that we, as marketers, must find creative ways to differentiate ourselves from the competition and convince clients and prospects that the best way to do business is with us. Video is one helpful tool, among many in your marketing arsenal, for doing just that.

No matter what your firm size, video should be considered in determining your overall marketing mix. Innovative and diversified communications are at the heart of every firm's successful marketing strategy. An astute accounting firm will cook up and deliver their message in a number of ways. Consider that some consumers are prone to reading magazines and newspapers, while others prefer to get their information by television, video, or radio, while still others spend more time with the Internet or at seminars. Most are exposed to a combination of information sources.

By marketing your firm via numerous vehicles (such as video, advertising, brochures), you increase your opportunity to deliver news to a larger number of people in a way they like it served up. What is more, by sharing a consistent message in all your marketing communications, consumers might actually remember your firm and what it stands for when they are in the market for services. Video is a lively and exciting way to communicate, and it is certainly a viable option, whether you are a sole practitioner or an accounting Goliath.

We produced our video in about three months, from concept to completion, on location throughout Minnesota. The project was incorporated into the normal work flow of a very active marketing department involved in a variety of projects. The movie features the stories of four BHZ clients, who share insights about their business needs, how we help them reach goals and make decisions, and what we are like to work with. In short, our clients do the selling for us.

Our clients, both in front of and behind the camera, showed a fierce commitment to the success of the project and the experience brought us closer than ever. The use of video has energized our accountants at all levels because it is a comfortable and progressive marketing tool. What's more, we no longer have to beat our chests when trying to get the attention of prospects. We'd rather entertain them.

STRATEGIC MARKETING AND YOUR VIDEO

The success of any marketing project or program is based on having your strategy in place—all your ducks lined up— and your movie is no exception. If you have done your homework, you already have a well-researched, strategic marketing plan for your firm. Use that plan's guideposts to establish your strategy for a video. In the unimaginable situation in which you want a video but have no marketing plan, you are prudent to wait until you have a road map in place, or have hired a consultant to help you establish objectives. If you move ahead without a plan or strategy, my hat is off to you—if you're a communications genius.

In producing the BHZ promotional video, for instance, we established five major objectives. They were as follows.

1. *Approach the video as an integrated element of our total marketing program, including our advertising campaign.* The video was consistent with the objectives and design of our two-year firm marketing plan. The message, visuals, and general approach were integrated with our advertising campaign, firm newsletter, and subsequent promotional pieces. Our advertising campaign featured testimonials from the four clients who had starred in the video and included an offer of the video. Our firm newsletter informed clients and friends about the development of the video and made it available to interested parties.

   For example, we secured a large printing firm client who had visited our booth at an employee stock ownership plan (ESOP) trade show and received our video. He had seen our advertisements in Twin

Cities business publications and was on our newsletter mailing list. On top of this, he had gone to college with one of our partners. When we telemarketed to this prospect, he was receptive to meeting with us. Integrated marketing communications and effective partner marketing made it possible for us to turn a prospect into a client.

2. *Give the viewer a sense of our expertise and our culture.* In essence, we wanted to share what it's like to work with us while showcasing our major industry specialties. The clients featured in the video shared stories that clearly illustrated our ability to help business owners with big-picture issues and provide a high level of service. Clients, prospects, and referral sources told us they identified with our clients and accountants as "real people" in the video. Several prospects knew one or more of the clients featured in the video and requested a meeting with us after viewing the video.

   The clients featured in the video showcased our deep understanding of their industries, which included manufacturing, distribution, printing, and construction. Clients, referral sources, and prospects told us that the video made them aware of our vast resources under one roof.

3. *Be viewed as a progressive and creative firm, comfortable with entertainment and communication.* We believed this approach would differentiate us from the clichés associated with accountants. The video generated publicity in national trade and consumer journals, including the *Wall Street Journal* and *Business Marketing*. This increased our visibility as a progressive accounting firm. When the video was reviewed, the reaction was favorable. We gained additional industry recognition for innovative marketing when our video won the "Best of Show Award" at the national 1996 Marketing Achievement Awards sponsored by the Association for Accounting Marketing (AAM). The video also won first place in the "specialty collateral pieces" category.

   We differentiated ourselves by sharing our culture and showing, through a "slice of life," how we help clients reach their goals. Viewers expressed an appreciation for the humor in the video.

4. *Involve and strengthen our bond with clients as we promoted the firm via testimonials.* The production of the video brought us closer to our testimonial clients. One of our featured clients told a reporter that he thought the video production was unique and that he was proud to be a part of it. He said participating made him feel that our firm valued his business and his input. He further explained that the video reflected the progressive nature of our firm.

   We thanked each client for participating by presenting them with a customized "Academy Award." We also presented them with a "Menu of Delightful Diversions" for their enjoyment, with choices ranging from a weekend at a historic Victorian inn to a full day of pampering and relaxation at a famous spa.

   This project strengthened ties with the client who helped us produce the video. Since then, the client has leveraged the resulting favorable publicity and awards to market his video production services to prospects. As a result of the video, all participating clients received publicity in national publications as well as increased visibility in the Twin Cities market.

5. *Create a marketing tool that would help our accountants market before, during, or after meetings with prospects and referral sources.* We wanted the video to create an atmosphere that would set the stage for positive interaction with prospects. The distribution of the video resulted in meetings with prospects who had previously not opened their doors to us. Our firm chairman received six invitations to meet within a few days of mailing the video to his prospects.

Our firm's accountants were delighted to discover that video simplifies the selling process. We show a video to virtually all serious prospects. A video accompanies most proposals. The accountants appreciate the soft-sell approach in a relationship business. One tax manager said that having effective marketing tools like video gave him high hopes for firm growth and upward mobility to partnership.

What is more, we enjoyed the following unanticipated outcomes.

- Video has unexpectedly turned out to be an excellent recruiting tool. It helps us differentiate ourselves from other accounting firms and attracts job candidates who are progressive and marketing oriented.
- Video is a useful tool for trade shows. We can show the video at our booth or use the video as a reason to follow up with prospects after the show.
- We use video in conjunction with new-employee orientations. The video helps employees at all levels gain a clear understanding of our value to clients and our role as a business partner.
- We often host outside groups such as high school and college students, Take Our Daughters to Work Day participants, and others interested in learning more about life inside an accounting firm. Video is ideal for sharing our culture and working relationship with clients.

As you can glean from the preceding items, your strategy should address a whole range of issues. These could include but are not limited to the following.

- Who are you trying to reach? (Who are your target audiences?)
- What are the needs of your target audiences? (What are they trying to accomplish in their business and personal lives?)
- What kind of relationship do you share with your clients?
- What is the outlook and culture of your clients?
- What is it like to work with your accounting firm? What is your firm culture?
- What are your firm's benefits?
- What is your firm's positioning? What differentiates you from competing firms?
- What industries do you serve?
- What services are you interested in promoting?

- What is the main theme or message you want to convey?
- What approach will you use (for example, testimonial, informational, documentary)?
- Who will be in the video?
- Will your CPAs feel comfortable using video?
- How will you distribute the video?

YOUR CREATIVE APPROACH

Do you find it hard to believe that most people expect a video produced by an accounting firm to be boring? One attorney told us he would watch the video because it was beyond his imagination that accountants could produce a movie worth watching. Surprise your audience with something fresh. Philosophically, it can be argued that clients and prospects deserve not only to be informed but entertained as well. Competition for the mind of the consumer today is so fierce that your message, no matter how serious or important, needs to be fashioned to break through the clutter or you will make no impression at all. Studies show that the average person receives two to three thousand commercial messages each day in one form or another. Moreover, you must contend with the survival instinct to block out most of anything that doesn't reward us.

A wonderful thing happens when you assemble a creative team to give birth to a video or similar creative project: The movie takes on a life of its own. Like a real human being, a good video has a special energy, vitality, and rhythm all its own. The character of your video reflects the collaborative effort of all those involved in the project: the producer, the director, the videographer, the people in the film, the editor, and others.

Yes, video production is a collaborative process, calling into play the special talents of each person breathing life into the movie. Yet because of all the people involved, it needs only one creative "parent" to provide the vision and leadership necessary for the entire production. The issue is creative control. Decide early on who will be the one person to determine the overall approach, hire the production house, determine the story line, decide who will and will not be in the video, and, in essence, go into labor and deliver the project. This can be your marketing director, a partner, the production house's producer or director, your advertising or public relations agency executive, or any qualified person who will hyperventilate at three o'clock in the morning over each detail of the production.

As is the case for most marketing communications, videos produced by committee head straight to the grave. Instead of producing a masterpiece that is the manifestation of your creative leader's vision, you end up with a horror show. Think about it: If your video turns out to be squarely within the comfort zone of the firm's partners, you might question how interesting it will be to the outside world. If your creative leader finds his or her efforts diluted by the well-intended demands of others, you may wind up with an end product that's a little dull or, at best, status quo. If so, why bother in the first place?

In producing your video, you have many style options from which to choose, including documentary, testimonial, humorous, informational, slice-of-life, and drama. Nothing done well is out of the question. Whatever approach you choose, grace your movie with the human touch. In visual media, viewers are unimpressed with statistics and rational explanations. Leaving the human side out of video is like a marriage without love. Emotion is what will move your prospects, woo them to your way of thinking and lead them down the aisle to the altar. For instance, in our testimonial approach, our clients explained how our CPAs enrich their personal and professional lives, even in life and death situations.

Along the same lines of human interaction, don't be afraid to let your firm's true personality shine through. Video can be the ultimate showcase for your firm's culture. Your firm is so much more than just desks, calculators, computers, a lobby, and office space. Those things can be bought anywhere. The core of your firm, the very heart of it, lies firmly within the people who are startled by their alarm clocks each weekday morning, then dutifully show up to serve clients. Your partners, managers, seniors, and staff, with their diverse personalities, talents, and interests, come together to create a culture that is unlike that of any other accounting firm. Make the most of it.

There's a rule of thumb in Hollywood that if your movie fails to introduce the main characters and establish a plot within the first ten minutes, it won't grab and hold an audience at all. Since that's true for a ninety-minute Hollywood blockbuster, you cannot underestimate the importance of paying off your audience within the first minute in your short industrial video. (A video produced for business purposes is often referred to as an industrial.) And let me emphasize the word short—keep it under ten minutes or you won't keep the attention of busy professionals. If you're convinced that you need more time to develop your firm's story, believe me, your movie theater will be the emptiest one in town.

Your video will have lasting impact if it integrates elements of your firm's overall marketing communications. By all means, "brand" your movie by positioning your firm's logo prominently within your production. Look for ways to incorporate your firm's colors, graphics, and slogan. Just imagine the impact your movie can have if it builds upon the messages you have already sent with your client newsletter, stationery, brochures, even your lobby. If your current marketing communications make you burn with embarrassment, reverse the process by establishing some smashing communications concepts in your video and following that style in all the brochures, newsletters, and other communications that you produce thereafter.

Once you have decided how to style your video, there are many more creative decisions to make. Special effects are often called out in the script or treatment but can also be added during the editing stage. Be wary of overproducing your video by cramming it with special effects.

Instead, use the special effects to tastefully punctuate your movie with unexpected pep every now and then.

Titles and credits within your movie are also an opportunity to exercise creativity. Follow Hollywood's lead and give credit to everyone who participated. Include information beyond what the viewer would expect from an industrial video, thereby enhancing its overall quality. For instance, besides thanking and identifying the clients who were portrayed in our movie, we used a special effect to give credit to our video production company (also a client). Several viewers told us they liked the fact that we even identified and thanked the dog who appeared in the video, just as we would any cast member. We also indicated that our production was "shot entirely on location in Marvelous Minnesota."

The thought of dogs is a reminder to stay open during your shoot for happy accidents. Happy accidents are unexpected opportunities to spice up the show with people, scenery, or occurrences that weren't planned. We had not counted on using animals in our production, but our client's large, friendly dog was clearly vying to be Hollywood's next Lassie. The client grabbed a toy and the dog chased it gleefully. Spotting a happy accident, our videographer grabbed the camera. That footage, taken in our client's sunny backyard, was woven into the video, adding warmth and vitality.

The video case or sleeve (the container that houses your video) is an excellent home for exciting graphics that invite the viewer to pop your movie into the tape player. During the design process, do not ask what other accounting firms are doing. For inspiration, examine the exciting graphic treatments of video cases at your local video rental store. Take as much care in developing the graphics for your video case as you would for an advertisement.

HOW TO SELECT AND WORK WITH A VIDEO PRODUCTION COMPANY

You may have a good friend or client who is a video producer. If so, your task of selecting and working with a producer may be simplified. If you don't know someone in the business, where do you find such an exotic character? Since there are thousands of dollars involved, it's imperative to hire a production company you can trust. If you have little or no experience in video production, making the selection can be that much more intimidating.

There are many ways to gain access to reputable video production houses. Your first course of action could be to contact your existing marketing, advertising, or public relations agency. These agency professionals may be actively involved in the production of videos for several clients. They can help to set your objectives and creative style, then recommend and work with a video production company. You can contact local television stations for recommendations. If your clients or referral sources have produced a video, check with them for a production house. Your community may have an association of video and film producers. Inquire by telephoning the film, television, journalism, and communications departments of local colleges and universities.

Once you have contacted a few likely candidates, ask to see their sample reel. Be a tough critic in your assessment of the work that is presented. Is the video as good or better than what you see on commercial television? Do you find evidence of a carefully crafted movie, with strong production value? Does it move you in some way? Does it tell a compelling story? Does it surprise and please you? Does the movie reflect the high standards that you would want associated with your accounting firm? If not, move on to the next candidate. Eventually, your video will be judged mercilessly by sophisticated viewers who are accustomed to production standards backed by millions of dollars. Still, you'll be amazed by how creativity and know-how, even on a small budget, can hold an audience.

Selecting the right producer goes beyond being impressed with work samples. Look for the person who asks questions about why you want to produce the video, what you are hoping to achieve, and how video might help you reach your goals. The producer should be just as concerned with strategy as with creativity. Once you have narrowed the prospects to two or three, ask each one for a bid and a list of references. Interview their clients to get a feel for the production company's integrity, flexibility, and compatibility.

Visit the offices of the production company and ask to see the equipment and editing rooms. Ask about the production approach and equipment that will be used to shoot your movie. For instance, very high-quality videos are sometimes shot first on film, then transferred to video. Yet it is quite acceptable and often the norm to shoot directly onto professional-format videotape. The producer should offer you various options, according to your budget and objectives. As you inspect the production facility, look for any awards on the mantle.

Once you've selected the production company, it's time to concentrate on budgets, contracts, and rights. After receiving three bids, you'll have a good idea of the costs involved in producing your video. The cost of a short video can range from a few thousand dollars, if costs are severely controlled, to several million if you flex the talent of Hollywood's best. The overall cost of producing our video and creating the art for the case was $8,619. The cost for 500 duplications of the master came to $3.71 per piece. Total expenditures for production and the initial order of 500 came to $10,476. (Subsequent duplication costs would reflect the $3.71 per piece cost.) Because of my background in video production, our firm was able to eliminate many of the costs normally associated with producing a video, so you should count on a higher tab. What's more, production costs vary by region, degree of expertise, and individual situations.

Contracts and rights are among the other issues to tackle before the camera rolls. Your production agreement or contract with the production company should establish who will retain the copyright and how the videotape may be used. In our case, we contracted for the copyright and unlimited usage. Also, it's important to acknowledge the rights of those who appear in your video and those who offer their facilities for your shoot. The basic rule is that every living person has a right to his or her privacy. It's generally understood that a company cannot use a person's name, likeness, voice, or photograph in advertising or promotions without the written consent of that individual.

Therefore, we asked everyone who appeared on camera, even our own partners and employees, to sign talent releases. (See exhibit 6-1, "Sample Talent Release.") We shot our video entirely on location, so we asked the managers and owners of golf clubs, private homes, business sites, and other places to sign location releases. (See exhibit 6-2, "Sample Location Release.") If you plan to use music in your video, be aware that you may have to secure rights for existing recordings or pay composers and musicians. Nevertheless, uncopyrighted sound tracks are available for use in videos, commercials, and other vehicles. For your specific situation regarding the overall rights and contracts of video production, and to protect the interests of your firm, consult an attorney. As you draw up your contracts, consider how rights will affect the various uses of your video, including distribution over the Internet and other emerging technologies.

EXHIBIT 6-1 **Sample Talent Release**

We run these off on letterhead. Check with an attorney for what is appropriate to your situation.

Video Consent and Model Release

Date ________________________________

I, ____, hereby grant Boulay, Heutmaker, Zibell & Co., P.L.L.P. (BHZ) and its videographers the right to videotape and photograph my likeness and voice and use my name and company name in perpetuity for advertising, marketing, and publicity purposes. BHZ may use, display, advertise, electronically transmit, or publish the videotape, in whole or in part, in any form or manner to promote the image, products, or services of BHZ and its affiliates. I understand that I am participating to further BHZ company business and that I will not be compensated for my services.
Signed:

____

____

EXHIBIT 6-2 **Sample Location Release**

We run these off on letterhead. Check with an attorney for what is appropriate to your situation.

Video Location Release

Date ______________________________

I, ____, hereby grant Boulay, Heutmaker, Zibell & Co., P.L.L.P. (BHZ) and its videographers the right to videotape and photograph at this facility/address:

____

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in perpetuity for advertising, marketing, and publicity purposes. BHZ may use, display, advertise, electronically transmit, or publish the videotape, in whole or in part, in any form or manner to promote the image, products, or services of BHZ and its affiliates. I understand that this setting is being used to further BHZ company business and that neither I nor any representative of this facility will be compensated.
Signed:

____

____

The collaboration begins once the paperwork is complete. Provide as much information as possible to your producer, especially at the beginning of the project. The producer does not understand your firm or its people in the same way that you do. Aim to combine your knowledge of your firm, clients, prospects, culture, and goals with the producer's communications expertise to create a result that is better than either of you could create on your own.

Many times, your involvement with a video production house will go well beyond working with a producer. Let's examine the various roles of a typical movie production team, as follows.

- The *producer* is responsible for the overall creation of the film. This person presents a budget, proposes a general approach, is heavily involved in the selection of the cast and crew, and is the general contact person and major decision maker for the production of the movie.
- The *director* is responsible for directing the creative elements of the film. He or she often works with the on-screen talent, the camera person, the sound technician, and the editor. The director often casts

the movie. This person is generally given wide latitude to construct a film that meets his or her creative vision for the project.

- The *script writer* writes the story of your video.
- The *videographer* is the camera person, often under the guidance of the director.
- The *actors* are the brave souls who act out the story when the camera starts rolling.
- The *art director* helps establish the overall look of the video.
- The *lighting director* works with the director, the art director, and videographer to establish the lighting for the video.
- The *sound technician* collects and supplies sound for the project as required by the director.
- The *grip* is the hands-on person who physically sets up the lights, reflectors, and so on, and handles all the physical maneuvering necessary to shoot the movie.
- The *editor* receives the pictures and sound and assembles them into a cohesive story.
- The *production assistant* provides administrative help to the producer, director, and the entire crew as needed.

You will often find that, in short movies, one person fills several of the roles mentioned above. A very effective video can be produced with less than a handful of people. Or it could take twenty or more, depending upon your objectives, creative approach, technical requirements, equipment, and budget. Talent and technicians to be hired beyond the cast of suspects listed in the preceding encompass professional voice-over talent, composers and musicians, the video duplication house, printers, and other specialists. With this in mind, it's easy to see why hiring a knowledgeable consultant such as a video producer or advertising agency executive to oversee this menagerie is well worth the price.

PRODUCTING THE VIDEO AND MANAGING THE PROJECT

The successful management of a video production can be summed up in one word: communication. It is in your best interests to keep everyone who has any connection with the video updated because nasty surprises can be quite costly.

The process of production often begins with a core group agreeing upon and finalizing strategic objectives, then developing a creative approach. The creation of a script or treatment (a looser, expository version of a script) and accompanying visuals might follow as the vision for the project takes shape.

With the creative concept established by the core group, the producer shares the proposed approach with everyone involved. Keeping the communications challenge in mind, we produced a script for the production house but developed a treatment, which explains the story in common language, to share with select clients to secure their participation.

Even with a script, visuals, and lots of explanations, many people still find it difficult to imagine how a movie will play out. It is therefore important to work with people who are comfortable with a certain amount of ambiguity, people who will trust you to deliver a quality end product. This willingness to allow the creative leader to fulfill his or her vision must extend from the executive committee to anyone else who has a stake in the outcome. Keeping everyone as informed as possible throughout the process helps alleviate the uncertainty associated with this kind of creative project.

If you ask your accountants, clients, or other nonactors to appear in the movie, resist the temptation to ask them to memorize and say lines (words from a script). If acting or voice-overs are required for your production, save the face of your accounting firm by securing professional actors and voice-over talent. Your production house will have access to these and other professionals. If you plan to have accountants or clients appear in the video, have them speak extemporaneously and behave as if there was no camera present. Then be prepared to shoot a lot of footage, editing out everything but the gems.

We captured testimonials from our clients by interviewing them a few weeks prior to the shooting date. This gave us the chance to assess and incorporate each client's viewpoint into the overall story. On the day of the shoot, we simply asked clients questions off camera to help them remember the points they believed were important.

Producing a video that includes clients involves diplomacy, constant communication, and proper acknowledgment. We made it a priority from the start to communicate with our clients in person with meetings, via telephone, and with letters that carefully outlined everything the clients needed to know to fulfill their part in the movie. This included the day, time, and location of the shoot; who would be there; and a suggested wardrobe. As mentioned earlier, we thanked our clients with awards and a Menu of Delightful Diversions. When it was time to publicize the video, we included the client companies in our news releases to raise their visibility within the business community.

A thought about selecting clients to appear in your video: Go for character. Good looks are helpful but what matters most is capturing a client with a strong, convincing personality. We had our best luck with clients who were not afraid to open up in front of the camera and share their business and personal lives with the audience. Of course, the clients you select should exemplify your firm's ideal client, so that other, similar clients will identify with them and consider hiring your firm. This means choosing clients from representative industries, lifestyles, age groups, and so on. The number of female and minority business owners is growing at a staggering rate, so include them in your cast of characters to increase business potential.

We were also anxious to portray our clients as real people with dimensions beyond business so that people would readily identify with them. We wanted to acknowledge that clients place a great emphasis on what's called a "blended life course." This describes a lifestyle with a positive interplay of satisfying work, rich leisure time, and continuous personal development. We aimed to illustrate how we help clients achieve personal as well as business goals. It was our mission to bring out the human aspects of each client's story as well as the core business benefits.

Once you gain participation from all the necessary parties, the producer creates a production schedule. This is a detailed outline of specific action steps that will occur according to a dateline. The production schedule often includes a listing of the people, times, and locations associated with preparing for the shoot, shooting the movie, and postproduction (editing and distribution).

Perhaps you have clients who occasionally share their videos with you. Sometimes, industrial videos are produced by locking down a camera in a manufacturer's office or warehouse to capture the action. Selecting locations that your viewers won't expect can pay off by increasing attention span. For example, our locations included a golf course, a backyard, a living room, a couple of construction sites, a library, a bakery, and other locations. With outdoor shooting, you are, of course, at the mercy of the weather. You also risk complicating the entire production. If you elect to shoot outdoors, plan for flexibility in your production schedule. Include everyone's home and work telephone numbers in your schedule so that last-minute adjustments can be made. For example, one rainy morning, we were forced to delay our shoot on the golf course in favor of an interior location.

Conversely, if you elect to construct a highly stylized video, shooting in a studio might be the answer. This gives you the opportunity to build sets (environments), control the lighting, and shoot any time, day or night. As mentioned earlier, our production took approximately three months to produce, woven in with other marketing projects, from concept to completion. Actual shooting dates occurred on and off over a period of less than one week.

The editing and duplicating process of our video took less than two weeks, again, woven in with a crush of other marketing projects. We reviewed all the footage, working side by side with the production company to select the clips that best communicated our message. We gave as much creative latitude, information, and feedback as possible to the editor as he fine-tuned the finished product. We developed all titles, credits, and supers (words identifying clients and their businesses, for instance) during the editing stage. Before duplicating the movie, we held screenings to gain last-minute suggestions from our CPAs, then personally visited each client to gain support.

INTERNAL COMMUNCATIONS AND TRAINING

Accountants are often appreciated for their dependability and even their predictability. The creative nature and ambiguity of video production may be unsettling to some of the CPAs in your firm. Take comfort in the realization that you are ahead of the pack if the partners in your firm are even considering video as a marketing tool.

To soothe the accountant's penchant for thoroughly understanding and controlling the situation, communicate your vision for the video as well as your progress as often as possible. To keep your movie from being mired by uncertainty and slowdowns, move to the beat of your creative leader. It is critical to keep all phases of the production advancing at a brisk pace, or you risk watching your project slowly bleed to death.

Your CPAs will have many questions once you complete your video and make dupes (copies of the video). This is because for years many CPAs have relied solely on standard business cards and brochures for marketing support. They are unlike professional salespeople in other industries, who exploit a wide variety of marketing support materials.

When introducing new marketing tools to our partners, I often engage in role-playing to demonstrate a range of approaches. We review the objectives of the program and discuss the various possibilities for distribution (in-person meetings, the mail, seminars, trade shows, and so on). We discuss how the marketing support materials will benefit and apply to clients, prospects, referral sources, and other groups. We customize our message to each group to match their needs and expectations. We create bullet points outlining our story and use them as the basis for presentations, letters, and other communications.

PROMOTING AND DISTRIBUTING YOUR VIDEO

No need to keep your new baby under wraps. One of the best ways to entice consumers to watch your video is to promote it shamelessly. Send announcements to anyone who is interested in learning more about your firm, people, and services. For our rollout, we informed clients via our firm newsletter that the video was now available to share with friends and associates. Along with a short article in the newsletter, we included production stills (photos taken during the shooting of the movie) and shots of a testimonial client holding her "academy award."

We were unaware of any other accounting firm using video as a promotional tool, so we shared the news with our media contacts. We received coverage in the *Wall Street Journal, Business Marketing,* and several prominent accounting industry publications. When our video won the "Best of Show" and first place in the "specialty collateral pieces" category at the national 1996 Marketing Achievement Awards sponsored by the Association for Accounting Marketing, we sent news releases to further raise our visibility. We offered the video to prospects in our advertising. We shared the video with referral sources and asked them to give it to potential clients. When our CPAs were asked to speak to business groups, we showed the video when appropriate.

You will discover countless applications for your video, and with every application, you maximize the benefits of your production dollar. When dealing with prospects, why not view the video together at the top of a meeting. Or, you can send the video prior to meetings to communicate what your firm has to offer and warm up your prospects. Include the video with proposals as a means to differentiate yourself from the competition. Similarly, you can gain an edge when recruiting employees in a highly competitive marketplace with a well-made video. Your video may also weave well into firm tours and employee orientations.

With all these applications, you may be wondering whether you need a loan to finance the costs of duplicating your video over and over again. With regards to distribution of your videos, I have these words of advice: Blow them out the door! Your video has a shelf life of about two to three years, similar to that of brochures or other marketing materials. The whole point of producing the video is to share it with others—so use it. We initially ordered five hundred videotapes from our dupe house. We depleted this quantity in four months and had a good laugh when the partner of a competing accounting firm asked if we had blanketed the Twin Cities with ten thousand copies. Then we quickly ordered our next lot. On the other hand, if your video doesn't reflect your creative leader's best effort, duplication costs won't be an issue, will they?

You should, of course, design distribution so that your video will land in the hands of interested parties, therefore focusing your resources. Suppose, for example, that you want to use your video as part of a direct mail campaign. Consider making the video a part of your offer, as opposed to mailing your movie out to everyone on the mailing list. Those who are interested in receiving a video could return your business reply card or call your firm. Besides saving you money, this would cause qualified leads to identify themselves. If you exhibit at a trade show, by all means, play the video at your booth. However, consider taking orders for the video as opposed to handing them out to every Tom, Dick, and Harriet. Again, this saves your supply and produces leads for follow-up.

The ins and outs of video production are at once exciting and discouraging, but don't lose heart. Place yourself in the care of trusted, capable professionals. And remember, video production professionals don't know your firm and people like you do, so they will do their best work with the help of your guidance and support. A highly talented creative professional loves nothing more than an opportunity to do his or her best work. Provide that chance and you may end up with an "academy award" of your own.

Bonus: Ten Hot Tips for Producing a Gourmet Video

1. Work the Concept. By the time you start shooting, know who you're trying to reach, how you can help your targets, who will do what, and how you're going to get your message across. Blend a strong strategy with creativity to tell your story. Develop a powerful script. Follow the rules of good storytelling with an engaging beginning, middle, and end. Schedule the shoot only after every detail of the production has been worked out because mistakes can be disruptive and costly. A well-thought-out concept puts the entire production on a positive roll.

2. Empower a Creative Leader. The best videos and films evolve from the vision of a single creative leader. Because of the collaborative nature of video, one person must act as the parent of the movie, pulling together all the strategic, creative, technical, and managerial aspects of the production. Movies produced by committee will play to an empty theater. If you want to produce a video worth watching, recognize that your creative leader may test the comfort zone of your partners. Potential candidates for the creative leader include a marketing director or partner, the movie's producer or director, and your advertising or public relations agency executive.

3. Invest in Production Value. Hire the finest talent you can afford, then finance the movie to enable your production team to follow through on the creative vision. When courting prospects, you are in the difficult position of selling something invisible—accounting services. Therefore, invest in your firm's image by producing a top-quality video. You can justify the cost of a well-produced movie because your CPAs will feel proud to share it with clients, prospects, and referral sources. What's unacceptably costly is a substandard, underfinanced video that never gets used.

4. Grab Attention from the Start. The first minute of your video is the most critical. Today's sophisticated viewing audiences will compare your production to what they watch on television. If your movie falls short or takes too long to reach the payoff, viewers will turn that dial. In fact, you may discover that viewers expect a movie produced by an accounting firm to be dull. Surprise them with fresh, entertaining material. Engage the viewer's senses in as many ways as possible. You want them to see, taste, touch, feel, and hear everything that's going on in your story.

5. Remember Your Audience. Focus on the needs and interests of your viewer, not the politics of your firm. Produce a movie that is geared to the passions, dreams, and culture of your prospects. Most prospects aren't qualified to judge your firm's technical accounting expertise, so they shop for a firm that understands them and their needs. The more you customize your message to your target groups, the more they will tune you in and others out. After all, wouldn't you rather do business with someone who understands you better than anyone else?

6. Entertain Your Viewers. Reward your viewers with a good story that lifts the spirit. Persuasion is based on emotion, not impressive statistics or rational explanations. When you care enough about viewers to sweep them away from life's humdrum, they let down their guard and form that first warm, fuzzy feeling that leads to "yes." Support an approach that breaks the cliché that accountants are boring. The last thing you want to do is point a camera at your partners and ask them to beat their chests about the virtues of your firm. Support your creative leader to deliver what entertainment-hungry audiences want.

7. Breathe Life into Your Movie. Keep the pace of your story moving. A video develops a pulse of its own, based on the collaborative effort of the production team. Insist on the highest standards and hearty enthusiasm from all those involved with the production. A video production can be a rather large and unwieldy project, so trust your creative leader to move the process along without a cumbersome approval process. When passing judgment during the editing stage, make corrections if you discover some slow moments.

8. Integrate Your Marketing Communications. The style and graphics of your movie should build upon and reinforce your established marketing communications. Weave your firm logo, colors, slogan, and general marketing approach into your video production. This will provide a focused and consistent message for your clients, prospects, referral sources, and others. If you don't think much of your current marketing design, reverse the process. Produce a dynamite video and pattern your subsequent brochures, business cards, and newsletters after the design of the video.

9. Stress Communication. Your success in this collaborative venture hinges on your ability to communicate effectively with all involved. Producing a video can be emotional and nerve-wracking for those who are unaccustomed to creative projects and sizable budgets. Keep your partners, staff, video production house, clients, and anyone tied to the video constantly updated to reduce the possibility of costly mistakes and misunderstandings. The production of a creative project should bring participants closer and make the most of their talents.

10. Be Yourself. There's no other accounting firm with a culture like yours. Be proud of it and make the most of it. If you're not sure how to position your firm's culture, ask a marketing and public relations expert to help identify your firm's personality and strengths. The marketing expert can then work with your creative team to showcase your culture in the video. Your movie presents an excellent opportunity to differentiate your firm and its people from every other firm in existence. In an industry such as ours, where multiple firms offer the same kinds of services, this ability to stand out from the crowd gives you a competitive advantage.

CHAPTER 7

IN-HOUSE MARKETING COMMUNICATIONS

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INTRODUCTION

Each employee should be considered a main marketing asset within your firm. Often, a client will ask whether a specific service is provided by your firm. If the employee is not aware of the firm's services, a valuable marketing opportunity could be lost forever. Our market is constantly changing and evolving, and employees must be kept up-to-date on the directions the firm is taking. In-house marketing communications are an integral part of keeping your employees informed. Timely correspondence, newsletters, training sessions, and staff meetings are several of the valuable tools available to assist you with your marketing communications. To be effective, your in-house marketing communications program should be a part of your firm's overall, written strategic plan to assure the coordination of information, and to assure that everyone in your firm knows the current public accounting environment, and what your firm is doing to compete in it.

THE THREE Cs

To be effective, in-house communications must follow the lead of the three Cs: constant, consistent, and conviction. Following the three Cs will greatly enhance the internal communication process and will increase, many times over, the knowledge base within your firm. In addition, following the three Cs will boost morale throughout your firm.

Constant Communications

Communications is an everyday game. Constant communications are essential to counterbalance misinformation that may be communicated, and more importantly, to dispense current information in our rapidly changing world. Constant communications are also essential to demonstrate the priority and importance attached to the process by your firm.

Consistent Communications

Erratic communications behavior and processes can be worse than nonexistent communications in the workplace. Expectations are created with communications, and those expectations need to be met on a consistent basis. If consistent communications do not take place, then the workforce will not lend any credibility to the process. When that happens, the "grapevine" takes over. When the "grapevine" takes over, so does miscommunication.

Conviction

Communications are essential, but they need to be delivered with conviction. If you do not communicate with feeling, and if you do not deliver the message with attached importance, then the receiver will know that you may be just carrying out a task without any real interest or conviction. If that happens often the workforce will not listen, and the communications will become worthless.

MARKETING PLAN

Before you can effectively communicate marketing information to your employees, your firm needs to develop a marketing plan. The plan should focus on the strategic and structural issues of marketing. You will need to include guidelines for basic marketing procedures that all local offices should have in place. This plan should also emphasize that employees need to have a well-grounded knowledge of your firm's capabilities and that communication skills must be practiced. For a sample, see exhibit 7-1,"Marketing Plan."

The key to the ultimate success of the marketing plan is the dedication of the partners and employees of the firm to make it work. Firms that have clearly defined marketing plans will continue to grow in the face of increased competition and, in many cases, at the expense of your competition that is not as oriented toward a planned marketing approach.

EXHIBIT 7-1 **Marketing Plan**

Marketing is, and will continue to be, a challenge for our firm. We recognize the need for marketing and the involvement of everyone within this function. We encourage and expect everyone to participate at some level. We will continue to reward those personnel who develop new clients for the firm. We will emphasize client priorities and communicate them to our existing client base, as we know this is our best source for new revenues.

For our marketing plan to be effective and enable growth within our firm, we will need superior leadership by the partner group, a concerted effort by the management group, and participation and involvement by the professional and administrative staff. We have the talented people, the opportunity, and the commitment to make that growth happen.

Each partner and manager has developed individual goals for adding business to this office. Although we have used the team approach to marketing in the past, we will emphasize this aspect of marketing more heavily during this ensuing year.

To accomplish our goals, we must, among other things, conduct regular monthly marketing meetings, hire a local office marketing coordinator, develop a target client list and perform specific action steps, and adopt a marketing plan for accounting services. The constant internal communication regarding marketing activities, accomplishments, and plans will keep our people motivated and excited.

We believe our staff can always use additional motivation and training in the marketing area. Therefore, we will make sure that all of our staff receive formal education in marketing and selling professional services.

Our marketing plan for this fiscal year can be accomplished if we all stay focused and become involved.

LOCAL OFFICE MARKETING COORDINATORS

As you know, marketing is a year-round activity. The emphasis on marketing cannot be ratcheted up and down, depending on how busy you are with current client work. That presents a dilemma for CPA firms: How do these firms keep focused on marketing when the professional staff is buried with today's work deadlines?

The answer for many firms is to invest in the hiring of a local marketing coordinator or marketing director. The person in that position should be a marketing professional, whose reponsibility is to guide the implementation of your marketing plan. The marketing coordinator must keep employees informed of the marketing materials available to them and the status of your marketing initiatives.

Local office marketing coordinators bring many skills to your office team that are crucial in today's CPA firm. They're natural "networkers," always eager to meet new people and expand business relationships. They are good listeners, who often hear clients expressing their needs and respond by presenting service solutions when others do not. Marketers see the big picture and can convey their vision to others. All these skills are necessary to effectively communicate your marketing plan internally, and externally.

For these reasons, make sure you include your marketing coordinator or marketing director in important meetings and retreats. A job description for a local office marketing coordinator is outlined in exhibit 7-2, "Local Office Marketing Coordinator—Job Description."

EXHIBIT 7-2 **Local Office Marketing Coordinator—Job Description**

MARKETING

The marketing duties of the local office marketing coordinator are the following.

- Coordinate the local office marketing program with the administration office.
- Update newsletter mailing lists.
- Track new client data sheets.
- Conduct and compile market analyses.
- Conduct client satisfaction surveys.
- Standardize office procedures, systems, and forms.
- Maintain a list of target clients.
- Develop and monitor a marketing budget.
- Review and monitor proposals.
- Monitor and coordinate a key contact program (referral sources and clients).
- Coordinate direct mail campaigns and special mailings.
- Coordinate monthly staff meetings.
- Promote the utilization of the firm's brochures.
- Monitor the marketing incentive program for staff.

ADVERTISING AND PUBLIC RELATIONS

The duties of the local office marketing coordinator that relate to advertising and public relations are the following.

- Organize open houses, seminars, and other similar activities.
- Prepare news releases concerning CPAs, seminars, open houses, and other activities.
- Coordinate advertising efforts.
- Develop and monitor a speaker's bureau.
- Monitor community activities for the office personnel.

COMMUNICATIONS

The duties of the local office marketing coordinator that relate to communications are the following.

- Keep the staff informed of materials that are available.
- Coordinate new employee orientation.
- Responsible for sending and monitoring referral thank-yous.
- Send congratulatory notes to clients mentioned in the paper.
- Monitor the welcome notices to new clients from firm personnel.
- Coordinate articles to submit for client newsletters.

STAFF MEETINGS

Encourage employees to share their individual marketing efforts during staff meetings. This can result in a marketing teamwork effort. Not only should current marketing programs be discussed, but employees will have the opportunity to share potential services they might discover while in the field. These meetings should be totally informal, and open discussion should be highly encouraged. Staff meetings also provide a good opportunity to view various promotional materials and items available within your firm.

Weekly staff meetings are ideal for discussing your office's marketing successes and failures from the previous week. Appoint a different person each week to lead the meeting and a discussion of a marketing concept of his or her choice. This will allow for a fresh perspective at each meeting and will keep the weekly meeting format from becoming too dull or routine. Include all employees in the meeting. Remember, everyone has a marketing role.

TEAM-BASED MARKETING

Whenever possible, organize your marketing efforts around a team-based concept. Teams can be formed along industry or specialized service lines if they are concentrating on new account development. If the marketing objective is to cross-sell new services to existing clients, teams can be formed that include the account executive and other support members who may have expertise in complementary areas.

Encourage your marketing team leaders to include members from all levels of your organization. This can be an excellent technique for training future marketing team leaders, and it has obvious benefits for improving in-house marketing communications.

TRAINING

Firmwide training provides a good opportunity for communicating your marketing efforts because a large group of people can hear about your marketing efforts at the same time. Allot time for questions-and-answers to assist your employees in learning from each other.

Devote a segment of your new staff orientation program to your firm's marketing effort. Take the time to let new employees find out how your firm is doing, what is expected of them, and what their specific opportunities are. New employees should have the opportunity to review the strategic plan for the firm or office. Be sure that your local office plans are updated annually to recognize changing local office conditions. Successful employees should be able to jump into their jobs armed with a good understanding of your firm's plans for the future.

Marketing-related CPE courses should be encouraged. Whenever possible, conduct in-house training to improve the marketing skills of your staff. A client-centered sales seminar for senior professionals who are responsible for new business development can be worth the cost. This kind of seminar should focus on building relationships and solving client problems. CPE courses provide the opportunity to update your personnel on the current marketing initiatives in your firm.

At in-house conferences, present trade shows by various specialty groups to give participants the opportunity to meet the group coordinators. This also creates an opportunity for everyone to learn more about what the particular industry groups can offer to clients, and the successes attained in the firm.

MARKETING IDEA FAIR

Because many great marketing ideas are initiated at the grassroots level, consider a Marketing Idea Fair at your next marketing conference or any firmwide training program to exhibit these ideas. The twofold purpose of the Marketing Idea Fair is to—(1) recognize the creativity of your people; and (2) allow all personnel to get ideas that can be applied in their everyday marketing.

Categories of entries can include proposals, newsletters, advertising, press release programs, trade show activities, and direct mail campaigns. A narrative should be submitted with each entry that includes all of the following:

1. Category of the entry
2. Description of the entry
3. Marketing objectives
4. Marketing results

MONDAY MORNING WAKE-UP CALL

An informative communication tool is the distribution of a weekly correspondence entitled "Monday Morning Wake-Up Call" to all of your people. The one-page document of email should be easily readable and posted routinely in a common area of the office. All personnel should have the opportunity to submit information for the "Wake-Up Call," which could consist of new business activities, client service successes, requests for job assistance, the marketing idea of the week, and so on. After a short period, this correspondence will become something that all personnel look for.

INTERNAL NEWSLETTERS

There are three kinds of internal newsletters for your firm to consider. A description of the purpose and audience of each appears in the following sections.

Professional Practice Newsletter

An effective in-house marketing tool is a quarterly professional practice newsletter distributed to all partners, managers, and professional staff. Technical Directors, as well as coordinators from Industry and Specialty Service Groups, should be responsible for submitting updates of the activities and plans of their groups to be included in this newsletter. This publication enables your staff to learn about the exciting, forward-looking events happening within your professional practice. This is a good opportunity to discuss new accounting software being implemented in your firm, priority items of the various groups, background information on a new group member, or upcoming future services.

Employee Newsletter

A well-written employee newsletter will ensure that all personnel have full knowledge of your firm's actions, progress, and direction. Keep in mind that written communications that are consistent and timely should replace sporadic verbal communications to improve time usage and provide a consistency of communications. Although the newsletter should contain need-to-know information, it should also be interesting and fun to read.

Partner/Manager Newsletter

A monthly communication called the "Partner and Manager Newsletter" is also a beneficial information tool. The information included in this newsletter should be that which is of particular interest to partners and managers. This could include partner changes, an editorial from management, new programs being implemented, pertinent news articles, changes in the profession, and issues facing the firm.

QUALITY CLIENT SERVICE PROGRAM

An excellent in-house marketing communication program that provides commitment to your firm's internal practice expansion is the Quality Client Service Program. This program kicks off by asking each individual in your firm to submit ideas on how the firm can improve the quality of your services and ideas for new product development. A committee reviews the ideas, performs feasibility studies on the projects they want to pursue, and decides what future action should be taken. As a result of the changing accounting environment, this is a continual process and employees should always be reminded to submit new ideas. No stone should be left unturned. Results should be communicated within your firm on a regular basis. Remember, growth comes from ideas put into action!

To make this program even more interesting to your employees, give prizes for ideas. Another possibility is to conduct an annual drawing from the pool of employees whose ideas have been implemented by your firm.

MARKETING MANUAL

A useful reference tool is a detailed Marketing Manual. This manual can include sample client surveys and a guide to presenting trade shows. It may also provide tips on how to prepare proposals and other successful marketing tools. Also make sure that copies of all client publications and promotional materials are available. This manual should be updated on a periodic basis and should be in good supply at all of your offices for easy referencing.

CONTESTS

Firmwide contests can get employees motivated and bring about new ideas, and they are fun. One example of an in-house marketing contest is for everyone who meets or exceeds the new business goal set for their job classification to be entered in a drawing to win a major prize like a color television. A minimum number of points must be obtained each month in order to enter. A bonus entry can be awarded at the end of the contest to all participants who accumulate their minimum level.

RECEPTION AREA

Your reception area says more about your firm than all other brochures or periodicals combined. First impressions usually last. Therefore, the appearance of your reception area and attention given to clients and potential clients has a great impact on your firm's image. Keep current brochures and magazines in racks or on coffee tables. All visitors should be treated in an enthusiastic, pleasant manner.

Above all, communicate with your receptionist. Your receptionist has frequent contact with the firm's clients strictly by virtue of his or her position. The receptionist also has contact with potential clients for the firm, prospective employees, potential referral sources, and so on. Your firm's image and competence are conveyed each time the receptionist has contact with these people. Remember, your receptionist has a marketing role.

CONCLUSION

It is recognized that one of the most common stressors in organizations is the lack of communications. For your in-house marketing communications process to be effective, your firm must be totally committed to enhancing your communications program. Always remind your employees that they are an integral part of your firm and that the continual growth of your firm depends on them. Keep your employees informed and get them involved in your marketing initiative. When it comes to continually looking for new ways to serve clients better, you need everyone's help. Keep in mind that marketing efforts by accountants are a win–win situation for both your firm and the professional.

CHAPTER 8

TELEMARKETING

James J. Stapleton
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INTRODUCTION

How I learned to stop worrying and love the telephone.

In January 1985, I joined a small, local accounting firm with three partners, less than a million in billings, and ten employees located in a ramshackle building on the outskirts of town. As you walked through the office, you came upon a rise in the floor. The rise concealed a hydraulic lift set into the floor! The building had been an auto body shop.

The partners were all very young, and *none* of them had experience with either a large regional firm or a Big Eight firm. One had been an accountant for an airline, and another was just 32 years old. Neither had developed business before. The firm was not at all well known in the area.

My mandate was simple . . . to bring in a flood of clients and prospective clients to this small, little-known firm.

Author's note: I wanted to call this chapter "How to Reach the 95 Percent of Prospects Your Referral Network Will Never See," but it was too long.

What Doesn't Work . . .

First, I met with every commercial lending officer I could find, one hundred forty of them in all. In attempting to prospect to bankers, I discovered the following three things.

1. Most bankers already know at least three CPAs and don't particularly care to get acquainted with any more.
2. No banker will refer business to an unknown accounting firm.
3. No banker will refer business to a twenty-two-year-old (I had recently graduated from Santa Clara University).

Actually, it wasn't as bleak as it sounds. I developed fourteen leads from the bankers. We met with eight of the fourteen, and six of them became clients (incidentally, one of them went public recently), bringing in $33,000 worth of annual billings. But, that still wasn't enough.

Peering Over the Cliff . . .

My managing partner, who had originally claimed that we would be flooded with leads if I just met with enough lenders said, "Well, Jim, we just aren't getting enough leads. What are you going to do about it?"

Prior to joining the accounting firm, right out of college, I had briefly, for six months, been a loan officer with a failing bank. I was now three months into another job which was clearly faltering. I was averaging less than one referral for every thirteen meetings with the bankers. If I failed in this position, I would be looking at my third job after being out of college for less than one year.

What could I do? I could only think of one thing: Take the issue directly to the clients and solicit their work. To do that, I would need to cold call.

By 1996, Success!

It is now eleven years later. That tiny accounting firm is now the largest nonnational accounting firm in Silicon Valley and the third largest firm headquartered in California. Much of the success is attributable to telemarketing. But why is telemarketing so successful? In retrospect, the more appropriate question should be, Why don't more accounting firms take advantage of telemarketing?

THE ADVANTAGES OF TELEMARKETING

As a stand-alone activity, telemarketing is not very appealing. It is not the sort of practice development activity that an accounting firm adopts lightly. Accountants tend to be much more deliberate, more passive in their marketing and sales activities, and telemarketing is the very definition of aggressiveness. Still, as part of an integrated marketing plan, telemarketing is a very powerful, very productive tool. What other marketing activity helps you to maintain the advantages described in the following sections?

Stay active and future-oriented.

Most marketing activities take place with the hope of affecting the future behavior of others; that is, a public speaker transfers his knowledge to his audience in hopes of motivating a listener to consider engaging him in the future. Client satisfaction surveys are designed to measure the past in hopes of changing future behavior.

In contrast, telemarketing is a present-day activity allowing the telemarketer a high degree of control. A telemarketer has a prospective client in hand, *right here, right now*. Telemarketing condenses prospecting activity to its most necessary components and determines the company's future prospect flow. There is *no* marketing activity more effective than telemarketing for developing a pipeline of prospects.

Accumulate many prospective clients quickly and efficiently.

In an hour, a telemarketer can dial 50 companies. In a day, 400 companies. I know, I've done it. My firm had identified roughly 4,350 companies that were appropriate targets of the firm. If I committed to make just 75 dials a day—1.5 hours of telemarketing a day—that's 18,000 dials or attempted contacts over the course of a year (240 business days times 75 dials). This allows a single telemarketer, working just 1.5 hours per day, to make quarterly *attempted* contacts to the entire base of 4,350 prospects.

Is there any other activity remotely as effective at making multiple, targeted individual contacts as telemarketing?

Provide introductory apparatus to potential clients.

Most marketing activities are designed to create an impact on a prospective client or referral source. Typically, these activities are not specifically designed to provide introductions to potential clients. The primary focus of telemarketing is to provide an introductory apparatus to a potential client. No other marketing activity can accomplish this so assiduously.

Identify the decision maker.

"Hi, I'm James Stapleton, calling Smith, Jones & Company. Is Mr. Smith in?"

"I'm afraid he's retired."

"Oh, may I ask who has taken over as owner?"

"Yes, Jane Jones."

With this ten-second exchange, I have uncovered the identity of the decision maker. Most "scatter-shot" marketing activities do not identify a decision maker. Public speaking, writing articles, holding seminars, and direct mail are all activities that are designed to expose you to potential clients, but unlike telemarketing, they capture a broad audience. Indeed, one of the goals of telemarketing is to identify the decision maker.

Provide immediate feedback.

I don't think that it surprises anyone when I state that the interactive nature of telemarketing evokes immediate feedback. Talk about measurable marketing activities!

Provide information on the status of the potential client.

You *must* uncover four pieces of information with any prospective client over the phone. They are described in the following sections.

1. *Whether or not the client is satisfied with his firm.* This is the purpose of every telemarketing call, cold or not. The key to remember here is that *most* potential clients do not like to be prospected, so they will *react* to your call and claim they are satisfied at the outset of the call. Their initial response is that they are satisfied. But are they?

When a potential client claims to be satisfied with their current firm, I always ask them "What do you like about your current firm?" They will answer me in one of the following two ways:

> *"Oh, they're terrific! Fees, quality, timeliness, range of services, communication, and above all, service couldn't be better! You'd have to pay me to switch."*

I will call these companies back in a year. Remember the motto: *"Anything can change in a year."*

> *"Well ... you know ... heck, I've been with them since I opened my doors and I'm not going to change now."*

When I hear this, I hear a client who has not considered his situation for quite some time. This is someone who does not know whether or not he is satisfied—it is your job to help him find out.

2. *Likelihood of engaging new firm.* Given their current degree of satisfaction, how likely are they to engage a new firm? What must you do to get in front of them and win them over?
3. *Level of satisfaction with current firm.* How satisfied is the client? Where are they on the client satisfaction curve?

4. *Direction of decision making curve.* What is the direction of the curve? Are they becoming more or less satisfied? Why? What does the future hold?

Screen disinterested and unlikely prospects.

No noninteractive marketing method can capably screen out disinterested and unlikely prospects. In what other marketing technique can you call a business owner and find out that his brother-in-law is his CPA? Or that his fees are one-tenth what you would charge? Telemarketing is the only interactive marketing technique. Its ability to screen prospects is unparalleled.

Reveal the level of interest with decision maker.

After some practice, a telemarketer becomes adept at discerning the level of interest of the decision maker. As we discussed earlier, most decision makers evince disinterest early in the conversation, but further probing reveals the true level of interest.

Introduce the firm into the decision-making curve.

Each time you speak with a new company, you introduce your accounting firm into their decision-making curve. Merely by interacting with a prospective client, you *become* a de facto alternative; you actually become a future option for them. They hear your voice, they take a small measure of you, and they develop a minor degree of familiarity with you and your firm. Don't forget that you need to build on this familiarity. You need to follow through with calls, letters, articles, newsletters, and so on.

Maintain and improve your position on the decision-making curve.

Through repeated calling to prospective clients, you can begin to build a relationship with the decision makers. You not only maintain and solidify your position on the client decision-making curve, you actually improve your position as a result of your repeated calls.

CAVEAT:

Don't be a pest. An able telemarketer can tell whether or not he has stepped over the line and is calling a prospective client too frequently.

Free partners to concentrate on lead development versus lead generation.

The principals in an accounting or tax firm need to both find and sell potential clients. By hiring a telemarketer or outsourcing to a telemarketing firm, a firm can allow the partners to concentrate on selling to prospective clients and developing relationships rather than uncovering new leads.

Confirm and update mailing lists.

I am continually amazed by how many nominally intelligent people think that they do not have to update mailing lists. Internal prospect lists need to be weeded on a continuous basis. Telemarketing is a perfect vehicle to accomplish this.

This is particularly important, especially for large-scale lists. Any list you purchase or rent is likely to have something wrong with 25 percent of all of the records in the database. If the list is more than one year old, there will be inaccuracies in at least 40 percent of the records.

THE FOUR CORNERSTONES OF TELEMARKETING

Those who consider a telemarketing approach to a potential client must familiarize themselves with the following four precepts:

1. Know the law of large numbers.
2. Rejection is not personal.
3. Both parties win.
4. Information gathering is just as important as getting a client appointment.

The law of large numbers.

In speeches, I claim that "the danger of telemarketing lies in making too few calls. Two bad things can happen: one is that you don't get a client. The other is that you *do* get a client."

If you make too few calls and don't sign a client, you will become discouraged. You are apt to give the idea short shrift and close yourself off to one of the most beneficial, proactive marketing activities available to you.

If you make too few calls and you *do* sign a client, you face another danger: You may develop the erroneous impression that telemarketing is simple and does not require much time or energy. As my first sales trainer used to say, wrong, WRONG, *WRONG!*

There are two major determinants for successful telemarketing. The first is acquiring the necessary skill set. The second is the law of large numbers or repetitive calling.

How many calls should your firm make? At a minimum, you should attempt to contact 250 companies. At a minimum, you should make three dials per company. Do not make any fewer calls than 750 calls. A number of successful, businesslike telemarketing agencies recommend a minimum of 2,000 calls. My feeling is that, given sufficient skill, 750 calls will indicate your level of success.

Rejection is not personal.

Most accountants have enjoyed a significant degree of success at school and at work. They worked very hard to achieve their degrees and even harder to achieve the level of competence dictated by their chosen profession. Typically, their work requires them to dispense pearls of wisdom to clients who hang slavishly on every word. The accountant has worked hard to eliminate error. His life is arranged around success.

How does this prepare an accountant for telemarketing, or for sales, for that matter? The answer is, very poorly.

As a result, accountants rarely face—and consequently, they greatly fear—rejection. Perhaps the greatest negative associated with telemarketing is the high perceived rejection rate. One must train oneself to realize that rejection is not personal; that it's part of the game. The most successful telemarketer I know says, "Telemarketing is the only business I can think of in which you can be wildly successful with a 98 percent failure rate!"

Both parties win.

The other major negative aspect associated with telemarketing is the sleazy, "boiler-room" image born of countless scams and con artists. Unfortunately, there is a large segment of telemarketers who prey upon individuals and are entirely unwelcome in almost any call.

Business-to-business telemarketing must avoid this image. Later, we'll discuss how to avoid the perils that will reduce your telemarketing program's effectiveness. For now, it is important that you remember to convey the following in every call: *Both parties win.* You will win, and the prospect will win. You must avoid leaving the impression that you are attempting to "take" something from the prospect.

Information gathering is important.

The majority of the time you will not be able to set up an appointment with a potential client. Does this mean that you have wasted a call? Absolutely not!

Gathering prospect information over the phone is *at least* as important as setting the appointment if not more so. Although you want to meet face-to-face with a prospect, you very definitely want to gather information on their company. Every new bit of information is ammunition you can use to break down their barriers.

TELEMARKETING PREAPPROACH

Before you begin telemarketing, you need to prepare for this demanding task. A description of the telemarketing preapproach follows.

Make a list of open times on your schedule for the next three weeks.

You will be setting meetings during the call, so at a minimum you should have at least three weeks' worth of your calendar in front of you. If you need to set an appointment any further in advance, you should have a clear calendar.

Use an up-to-date prospecting source.

Your prospecting source material will be the difference between success and failure. First and foremost, your source needs to be up-to-date; it needs to be absolutely as recently "scrubbed" as possible. Names, numbers, and addresses all need to be accurate.

Interestingly, I will, on occasion, use a two-year-old source. That way, I can compare the two-year-old version of things with the current version. Remember, people in a new situation will always try to make changes, including changes in professional service providers.

Commit to a specified number of calls.

Commit to at least fifty calls at a setting. This is the minimum number of calls you should make in order to build endurance and experience. As a beginner, you should not telemarket for more than 30 minutes at a time. Work your way up to 90 minutes.

Here's one caveat: On my second day of telemarketing, I decided to telemarket the entire day. After 8 hours, I had made 400 calls. I had a splitting headache and was very tired. I also had three leads, eight future leads, 117 negative responses, and a month's worth of expertise and knowledge.

Design your conversation to be interesting to the prospect.

Too many "pitches" are boring, deadly dull, pointless, add no value to the client, or take too long to get to the point. I have the following two rules:

1. Say something of interest to the prospect within the first three sentences.
2. Include a "WOW!" sentence in your initial pitch; something to make the prospect sit up and take notice.

Learn to avoid the gatekeeper.

In large part, the success or failure of your telemarketing efforts depends upon your ability to get around the receptionists, secretaries, administrative assistants, and executive assistants who bar your way to the decision maker. You must have half a dozen methods that will help you avoid these people. We'll discuss this more later.

Practice.

Practice makes perfect. Have truer words been spoken? There is quite a temptation to write out your script and read it to prospective clients. I did this in the beginning of my career and averaged one appointment per 200 dials. After I practiced a bit and got to the point where my pitch sounded like a conversation rather than a script, my success rate climbed to one appointment for every 30 dials.

THE SUCCESSFUL TELEMARKETING APPROACH

You have an up-to-date prospect list, a winning conversation prepped, and you have practiced your approaches. You are prepared to make 750 dials, and you are prepared to avoid the gatekeepers. Now you need some advice on the telemarketing approach.

Speak to the decision maker.

How do you find the decision maker if you don't already know who it is? Go as high as you can. Some telemarketers want to talk to the chief financial officer (CFO) because he has an accounting background. I certainly don't mind speaking to people on the financial side, but they are rarely able to make the full decision. In sales parlance, they are "user-buyers." They will use your services, but you want to speak to the "ultimate" buyer, the person who will ultimately make the decision.

Don't use exactly the same spiel every time.

If you use the same spiel over and over, it will sound like you're reading it . . . or worse, like a recording. For this reason, I don't like to recommend that telemarketers use *scripts*; rather, I recommend that they use *structures* with some stock phrases. This way, the telemarketer is forced to think on their feet and it sounds more natural, more like a conversation.

Be candid.

Most telemarketers obfuscate their reason for calling the client. They may say that they are "conducting a survey" or some other euphemism. I recommend that you be very up front about why you are calling. Delaying or attempting to hide your solicitation wastes both of your time and insults the prospect.

Respect the prospect's time.

Once again, this runs counter to the standard telemarketing wisdom, which holds that "the prospect should be the first one to hang up." If a prospect is "harried, hurried, or harassed," I will call back. That prospect is not ready to spend the time to speak to you. If I get to speak to a prospect, I say what I have to say quickly and forthrightly. There is no need to draw out the conversation.

Respect the prospect's decision.

If a prospect says "no," accept that he or she means it. The first words out of a prospect's mouth are likely to be negative; that is a reaction, and you can certainly probe further. But a second negative statement is final.

One final comment: If a prospect says "No," it doesn't mean you can't develop information from them.

Obtain as much information as you can.

Whether or not you set an appointment is irrelevant to your duty to attempt to secure as much information over the telephone as possible. This means you should pay close attention to everyone you speak to, including the receptionists.

Don't try to sell over the phone.

All you are attempting to do over the telephone is secure a meeting or develop information. Prospects don't sign engagement letters over the phone.

Use an "assumed close" when you state that you want a meeting.

Which of the following "calls to action" sounds more effective to you?

1. *"Mr. Smith, would you be interested in entertaining a brief presentation from us to demonstrate how we are making the discernible difference for our clients?"*

2. *"Mr. Smith, we would like to have the opportunity to visit with you and demonstrate the discernible difference we are making for our clients. Is early next week good for you?"*

When you prospect a client by phone, you are interrupting his or her train of thought. You can use this interruption to your advantage. You will set twice as many appointments with the latter approach.

Act on all responses.

Don't let negative responses lie. They deserve pursuit as well. As we will see later in this chapter, all prospect responses (whether short term, mid term, or long term; whether positive or negative) will require pursuit. Certainly, each will necessitate a different level of pursuit, but every response will require that you take action.

Follow up on all returned calls.

Telemarketers have different opinions as to whether or not they should leave messages for leads. I always leave a message, *unless* I have time to make three calls to each lead on the list. If I have time to make three calls, my first call is to the receptionist and I ask what time my target will be in the office. I don't leave a message during this initial call, and I make a subsequent call later back at that time—again, I leave no message. I will leave a message on my final call if necessary.

Why follow up on all returned calls? When you leave a message and include the reason (solicitation) that you are calling, about one in ten people will call you back. About one in two will set up an appointment with you.

Don't call to confirm the meeting, and don't reschedule the meeting!

Should you call to confirm a meeting? *No!* Remember, you are a salesperson until you become the prospect's CPA. People will latch onto any excuse not to meet with a salesperson; there is always something more important to be done. Still, you cannot afford to appear insensitive. I handle the situation by saying something like the following.

"Thanks, Mr. Prospect. We'll look forward to seeing you at 2 P.M. on Wednesday, August 8th. I'll forward to you a separate letter to confirm the date and place. Would you like me to call the prior week to confirm the appointment?"

Usually, they say that won't be necessary. If they do ask for a confirmation call, I call when they are unlikely to pick up the phone, and I leave the following message:

"Hi, Mike, this is Jim Stapleton at Smith, Jones, CPAs, and I'm calling to confirm our appointment on Wednesday, August 8 at 2 P.M. I'll assume that is fine with you unless I hear differently."

THE INITIAL PITCH

As I mentioned earlier, I don't believe in scripts that sound phony or contrived. Rather, you should use a structure similar to the one listed in the following with a host of available stock phrases to fit any situation.

Greeting

"Good Morning, Ms. Jones."

A pleasant immediate greeting is important to establish a positive footing for the pitch.

Identification

"My name is James Stapleton and I am with Smith and Jones Accountancy Corporation."

Create trust with the prospect by letting them know *immediately* who you are and why you are calling.

Intrigue

"We are a local certified public accounting firm that specializes in manufacturers in the north city area."

You have identified who you are. Now, let them know why you're calling. This statement should give them an idea of what you and they have in common. In this case, the firm specializes in manufacturers in the north city. The focus might be even narrower, as follows.

"We are a local firm specializing in credit unions."

Regardless of the claim, however, you must create some common identity in this sentence.

Interest

"We have recently developed unique approaches toward accounting that have helped us to reduce the turnaround time of our services."

After establishing the common ground, you *must* make a comment, claim, or statement that indicates why the prospective client should talk to you.

This statement should be taken from what makes your firm special. Why is your firm special? What are the three areas that really set your firm apart from others? Focus on this to create interest on the part of the prospect.

Deepening Interest

"It has also helped us to improve our communication and planning with our clients."

After making a statement designed to evoke interest on the part of the prospect, you need to deepen that interest. Design this approach to appeal to sensitive needs.

Call to Action

"I would like to drop by for a few minutes to show you how we can help you and your firm. Are you free Friday of next week?"

This is the *call to action,* your request for action on their part. What do you want? A meeting. When do you want it? As soon as possible.

Make it difficult for a prospect to say no by using an *assumptive close.*

RESPONSES

After your initial pitch, your prospect should respond with a variation of one of these six responses. I have listed these responses with effective replies.

1. "No. Thanks anyway."

"Well, I'm happy to hear that, Mr. Prospect. A good relationship is difficult to find and harder to maintain, and I appreciate your confidence in your accountant. Just out of curiosity, do you mind if I ask—

- *Who you do business with now?"*
- *How you're most or least satisfied with your current accounting firm?"*
- *What is your fiscal year-end?"*

The prospect has already responded in the negative, so you are actually on a comfortable footing. There is nothing you can do or say to change their mind at this point, so you should attempt to maintain the conversation and uncover as much information as possible in order to begin a "file" on the client.

CAUTION:

You still have to be very sensitive with the prospective client. Remember, they will be touchy. Here is the wrong way to ask for information:

"Happy with your accounting firm, huh? Who is it?"

You absolutely *cannot* be belligerent, aggressive, or confrontational. You must smoothly pave the way to develop information with questions that use a "soft" approach, such as the following.

"Mike, I'm very pleased that you have an excellent relationship with your current firm. Good relationships are hard to come by and harder to maintain. I'm sure they will do a good job for you. Do you mind if I ask, just out of my own personal curiosity, which firm do you use?"

2. "No thanks. We've been with the same guy for years—since our company opened in fact."

This response is very common. When you think about it, everyone wants a good relationship with their service provider. A client wants good service at a good price, true, but they really want peace of mind, a service provider who they can put on autopilot.

When you hear this response, your mission is to uncover the reasoning about them. You need to follow up this response with:

"Mr. Prospect, I'm glad you have a good relationship. Do you mind if I ask what it is that you like about them?"

The answer will be one of the following two responses:

"Well, they're just wonderful. Great service, fees, timeliness, quality, communication . . . I just can't say enough good things about them."

[Embarrassed silence . . .] *"Well, I dunno . . . it's like I said, I've been with them for a long time."*

This is the kind of response which signals a client who is in a relationship sheerly out of inertia. The relationship has been on the back burner for so long that they don't even think about it any more. The relationship is personal, but the level of service? This deserves a little more probing. Why hasn't the owner thought about the relationship? Has the accountant taken advantage of this lack of attention?

3. "Well, we've just changed and we'd like to give the new guy a try."

The first six months of any relationship are the most dangerous. This is when the accountant is under the microscope, and every move is scrutinized. Pay particularly close attention to the level of the client's satisfaction.

"Of course, I understand. Are they working on your year-end right now?"

Many times I have been able to "scalp" a client from a CPA who promised a great deal in the proposal or sales meetings but was unable to deliver. A number of my largest and most committed clients called me and wanted to get started a few days, weeks, or months after they turned me down.

What you are attempting to uncover in this situation is a CPA who hasn't been able to meet the client's expected level of service. This is when your conversation with the prospect needs to be very tight, you need to probe deeply here. Ask about terms of delivery, fixed fees, and so on. Answer the question: What have they been promised and is the current firm delivering?

"Could I give you a try down the road?"

This is the final question that you need to ask. This question makes the bridge to the next contact, and will firmly indicate whether or not the current firm is performing at an acceptable level.

4. "Well, we've got the CPAs here now—give us a try later."

The most emotional time during the client-accountant relationship is while the work is being performed, delivered, and billed. There are so many opportunities for problems and snags that it behooves you to pounce on any of the current shortcomings, but you must be able to do it within the confines of the conversation.

"Oh? Is your fiscal year-end a [mention a 90-day-old fiscal year-end]*?"*

Is the current firm late? Are they too expensive? Are they creating problems on-site? Once again, probe for any difficult areas.

5. "I'd like to see what you have to offer but I just don't have the time now. Can you call me in [some number of days/weeks/months]*?"*

At last, a positive buying signal! In my experience, you will receive three to four times as many leads who ask you to "call in the future" versus those leads who want to set an appointment immediately.

Sure, some of these prospects just want to get off the phone—but some will eventually meet with you and become buyers. Let's face it, professional service providers are rarely front-burner concerns. Try the following response.

"Fine. I'll send you some information in the meantime. In fact, I'll tell you what; why don't we arrange a tentative time [in the distant future] to get together? If either of us can't make it, we can always reschedule."

If at all possible, try to set a tentative appointment. This should indicate some degree of immediacy with the prospect. If the prospect is unwilling to set a meeting, make sure you send him a letter a few days before he asks you to call and follow up with a timely prospecting call.

6. "Sure. I'd like to see what you do."

"Great! What day is good for you? [pause] *Are mornings or afternoons better?* [pause] *Mr. Prospect, I will send you some information that outlines the philosophy and objectives of our firm. I'll make certain that gets in the mail tonight. I'll call you to confirm the appointment prior to our get-together. Thanks very much! Good-bye!"*

If the prospect is immediately interested in getting together *and* I feel that they meet the minimum qualifications of being a client, I will get off the phone as soon as possible and leave the information gathering for the actual appointment.

Summary

You have now seen the basics of the initial pitch, likely responses and how to react best to them. In sum, your goals are the following.

1. To learn the identity of the decision maker
2. To set an appointment
3. To gather information on the prospect

After accomplishing one, two, or all three of these items, you will then enter the most crucial phase, which is the telemarketing follow-up.

TELEMARKETING FOLLOW-UP

After you make a successful call, you will need to undergo the following steps.

1. Ask the lead whether a phone confirmation is necessary.

If phone confirmation is necessary, there is a 25 percent chance that the lead will cancel. Until you become their accountant, you are nothing but a salesperson, and the simplest appointment in the world to reschedule is an appointment with a salesperson. There is *always* something better to do. Try to send a separate, one-page letter of confirmation.

Yes, you will get stiffed occasionally. Perhaps 10 percent to 20 percent of the time . . . but you will keep meetings with people who otherwise would put you off. These are potential clients who will ultimately engage your firm.

You see, a businessperson wants to deal with business issues through the following:

a. Getting new business for his company
b. Fighting fires for current clients
c. Fighting internal fires
d. Everything else

You will note that accountants do not fall into the first four categories.

2. Enter the prospect meeting on your calendar.

Make sure the lead is on your calendar. Make sure there is sufficient time for the meeting and the trip there and back.

3. Send an information package to the lead.

I would always include a cover letter and between one and three items including a brochure, positive articles, or clippings about the firm. It is important to use original letters; they read better—more genuinely, less artificially—than template letters.

Finally, you should limit the amount of information you send in this initial written contact. You want to save some of your other collateral materials for future contacts—should they be necessary.

4. Develop an information profile on the lead.

A prospective client information profile can be developed through discussions with various sources. Essentially, this information can come from anyone who could give you an insight on the prospect, his industry, or the lead's current accounting firm.

It can come from but is not limited to any of the following sources:

a. Conversation with the prospect
b. Other clients of yours
c. Other clients in the industry
d. Common professionals
e. Common vendors
f. Common clients
g. Your staff
h. Your partners
i. Your referral network

5. Fill out a prospect information sheet.

In some fashion, you must collate the information you develop. Incidentally, this information doesn't have to come over the phone. You will want to collect as much of the following information as you can:

a. Company's name
b. Decision maker's name
c. "User" decision maker's name (typically, a controller or an employee who doesn't have "thumbs up" capability—but someone who can make certain that you don't get hired
d. Address, city, state, zip, phone, fax, email
e. Sales

f. Fiscal year-end
g. Current CPA
h. Former CPA and reason changed
i. Banker
j. Attorney
k. Officers of the company
l. Board members
m. Your firm members who may know a decision maker
n. Strengths, weaknesses, opportunities, and threats
o. Problems, issues, and areas of concern
p. Profitable: yes or no?
q. Services currently using
r. Anticipated services

TELEMARKETING RESULTS

One of the (unfortunately few) attributes of telemarketing that accountants can easily appreciate is its measurability. Unlike most other marketing activities, you can adequately measure what has happened with your telemarketing program pretty quickly.

I have listed in the following the results of our telemarketing program from its beginning and after five years in existence. I broke the results into two categories; first, measuring the success rate of securing new appointments and second, converting calls and appointments into clients.

Appointments	Start of the Program	End of the Program
Calls needed to secure one meeting	300	30
Calls made in one day	350	75
Percentage of calls reaching decision maker	15%	45%

When you are telemarketing for prospective clients, it is important that you—

1. Make as many calls as possible to as many leads as possible.
2. Reach as high a percentage of decision makers as possible.
3. Make the quality of your approach as high as possible.

We can see from the preceding statistics that our telemarketing program improved significantly from its beginning. After learning how to speak to clients without annoying them, we were much more successful at reaching the decision maker and much more successful at securing an appointment.

You will note that the number of calls made each day went down significantly. This was because the conversations with prospects became much more lengthy as we became more adept at questioning, listening, identifying needs, and uncovering industry, company, and competitor information from the company.

With the information here, you should be able to reduce your learning curve significantly. Your appointment setting skills will improve dramatically. After three years, I was convinced that I could set an appointment with literally any client I contacted.

Clients	Start of the Program	End of the Program
Clients signed as percentage of meetings set	23%	61%
Annualized fees per new client resulting from telemarketing program	$ 5,100	$12,080

If I am proud of any single aspect of the telemarketing program, it is the success of bringing clients to the firm.

The preceding table indicates two startling statistics. First, as the firm grew, it naturally targeted larger, more profitable clients. Second, as the firm grew, a (much) higher percentage of the prospects became clients.

Sales Maxim

There is a sales maxim that holds that you will sign 20 percent of all the cold leads you will face . . . pretty much just by showing up . . . as we did at the beginning of our program. Similarly, you *will not sign* approximately 40 percent of your cold leads for a variety of reasons. Whether you sign 20 percent of your leads or 60 percent of your leads is up to your sales ability.

Sales Training

I would recommend sales training in conjunction with any telemarketing program. If you develop 100 leads from a telemarketing program, 10 will be ready to change, 30 will be lukewarm, and 60 leads will be cold. Sales training will help you to develop the best possible approach to each of these.

How good can the leads be?

This is a concern of all CPAs who use telemarketers to get leads. How good will the leads be? How qualified will they be?

After ten years of telemarketing, I can state, unequivocally, that telemarketing leads are better than referral leads. Better than referral leads? How can that be? The following are the reasons.

1. Prospective clients are more suspicious of telemarketers. Therefore, they tend to research a firm who has approached them "cold" rather than a firm who came to them through referral.
2. Clients are able to spend much more time investigating a CPA firm who has telemarketed them, typically because they were contacted when the client was not in a decision-making mode.
3. Chances are that telemarketing leads will only be considering you and your firm, whereas a referral lead will be considering several firms.
4. Finally, there is much more time to establish a relationship with a client and, hence, a better foundation.

CONCLUSION

Should you telemarket?

Several years ago, I delivered a telemarketing speech in Sacramento, and an eager young man raised his hand and said, "Mr. Stapleton, I love everything that you have said today. I have been out on my own for a few years now, and I bought your book *Practice Development: A Comprehensive Guide to Building a Successful Accounting Firm.* It has helped me grow my practice in leaps and bounds—and the telemarketing section was particularly successful! But in the book, you *advise against telemarketing! Why is that?"*

My response is that telemarketing is potentially very lucrative. We took a small, moderately successful accounting firm in Silicon Valley and became the largest independently owned accounting firm in the area. Much of the growth resulted from the telemarketing program.

At the same time, telemarketing is very difficult. It is hard to find good telemarketers. It is hard to find, write, and use good scripts, or, as I recommend, good *structures.* It is psychically defeating; the odds of securing a lead are low, the odds of signing the client even lower. Yet, when performed correctly, it is *the most powerful marketing tool available.*

CHAPTER 9

MARKETING YOUR FIRM ON THE INTERNET

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INTRODUCTION

The rules for communicating with your clients and prospects are changing—for the better. Technological advances are creating new ways to communicate that are cheaper, faster, and more effective than ever before. But they are scary, as well. A Web site for your firm—if not handled properly—could be expensive to create and time-consuming to maintain.

Most CPAs can write a letter or make a phone call. But not everyone has the skill and experience to build a Web site. And, unlike letters, brochures, or even telemarketing campaigns, Web site marketing has no end. Your Web site will demand constant refreshing. Like a perpetual motion machine, the need to edit, evaluate, and add new knowledge to your site will never stop. A daunting challenge, but a challenge that can be easily mastered if you and your firm focus on a few basic rules for marketing on the Internet. First, you must define your unique selling proposition (your market niche), or how your firm is different from all others in your market. Second, you need to present your message simply and keep your information fresh. Third, you need to create a conversation between you and your site visitors which will create valuable information for you and begin a dialog that your firm can use to convert your prospects to clients.

Using your Web site as a communications vehicle and bringing clients and potential clients to your Web site can create new marketing challenges for you . . . and new opportunities to help you build your business. Let's briefly review the marketing issues you need to address if you are going to create a successful Web site for your firm.

1. Why to build a Web site
2. Setting goals and expectations
3. What makes a good Web site
4. How to get clients and prospects to your site
5. How to get clients back over and over again
6. Other ways to market on the Internet

WHY TO BUILD A WEB SITE

The Cost of Doing Business

The simple reason to build a Web site is that is going to become, in a very short time, the cost of doing business. More and more CPA firms are putting sites on the Internet. They are finding that a Web site is a more effective "information platform" that any brochure or letter they have ever produced. They are not abandoning "traditional" marketing programs, such as Yellow Pages listings and advertisements, letters, and brochures, but they see that an Internet site gives them more flexibility to position their firm in the marketplace and target their message to the audience they want to attract.

As the Internet becomes more pervasive in the marketplace, your clients and prospects will expect you to have a Web site and will be looking for you on the Internet. As just one example of the shape of things to come: there are now 82 million business-based PCs hooked to the Internet. By 2001, it is estimated that 268 million business-based PCs will be on the Internet. A recent survey on why people access the Internet concluded the following.

- 97 percent want to become better educated consumers.
- 81 percent want to research new products and services.
- 84 percent believe that the Internet helps them make better decisions.

Be where consumers are looking.

CommerceNet/Nielsen Media Research surveyed 18 million people aged sixteen and older in the United States and Canada on their Internet usage. Fifty percent of those surveyed have used the Internet for business purposes. Seventy-seven percent ranked "gathering information" as their number one reason to access the Internet. Making a purchase ranked last at 13 percent of users. Your clients and your prospects access the Internet to become better consumers, to research new products and services, and to make better decisions. They rarely make a purchase, but they are "shopping" for services.

Use your Web site as a Wet Canvas.

A decision to create a Web site for your firm does not mean that you should abandon your current marketing efforts. A Web site should be just one part of your marketing mix. Newsletters, direct marketing, and a Yellow Pages ad or listing can lead clients to your Web site. But unlike these marketing techniques, a Web site gives you the flexibility to inexpensively change your message when you need to.

Brochures and newsletters are "old" the day you print them. Your Yellow Pages ad cannot be changed for up to two years. Your Web site can be an inexpensive and flexible communications vehicle that can change the moment you have news. You will see later how this "wet canvas" can bring your clients and prospects back to your site over and over again.

As more and more consumers (along with businesses) get on line, they are going to be turning to the Internet to begin their search for a CPA. Make sure they find your firm.

SETTING GOALS AND EXPECTATIONS

The Internet is a new medium with new rules. You can't expect that your Web site will replace your other marketing efforts. And, like most marketing efforts, it will be more successful the more focused it is. As you plan to go on line, understand what it is you want to be—what is the message you want to send to the visitors to your site? Don't try to be all things to all people.

This may seem simplistic. It is not. The tendency when tackling a project as large as a Web site is to let it become all things to all people. Certainly you will have virtually unlimited space on which to create a message for each and every one of your clients. Resist this tendency!

Now is the time to discuss with your partners or associates who it is you want to reach and how you want to position your firm. You want to determine what is your market niche and what your target audience looks like. When you determine this, you will have a much better chance of developing a successful Web site.

Niche Marketing and Branding

A simple rule of thumb in marketing tells us that the number one brand in a market niche will control approximately 50 percent of the market. Number two will control the next 25 percent . . . all the rest (no matter how many) will share the remaining 25 percent of the market. In fact, in packaged goods, when Brand Number 3 advertises, it actually increases sales for Brands 1 and 2. What does this mean to your firm? It means that if you want to establish a unique niche for your firm, figure out what makes you different from every other firm in your market area. Here's how you can do that: Look at your current marketing plan and materials. Compare what you are doing with your competition. Are you clearly differentiating your services from the competition? Have you identified your "ideal" client and targeted your marketing materials to that audience? Before you start building your site, answer the following questions:

1. Who is our audience?
   - Current clients?
   - Prospects?
   - Suspects?
   - Partners/business associates?

   The reason you need answer this question is so that you do not use valuable resources being all things to all people. Once you have determined who your audience is, you will be able to identify what their needs are. Your Web site should cater to their needs.
2. What is our goal?
   - Greater share of client?
   - New clients?
   - New image?
   - Partnering opportunities?

   You know who your audience is. What do you want them to do? If it is a group of your current clients, do you want them to use firm services they aren't currently taking advantage of (greater share of client)? If it is new clients, do you want them to understand what services you offer (new clients)? Do you want to change the perception of your firm in the marketplace (new image)? Or do you want to attract other firms or professionals who can help you grow your business together (partnering opportunities)? Each one of these answers will inform the design of your site.
3. What does success look like?
   - Number of referrals?
   - More business?
   - New business?
   - Better clients?
   - Different clients?
   - Number of new leads?

   What can be measured can be managed. You've determined who your target audience is and what your goal will be. Now you want to be able to measure it. Your Web site gives you that opportunity. Set benchmarks for the firm and review them on a quarterly basis. Results from Internet marketing are quantifiable.

Your Web site is not going to close a sale. But, you may develop new engagements, create a place where clients can get answers to simple questions, or develop a way to classify prospective clients.

You will also have the opportunity to track the number of hits to your site and to specific site pages. You will find out what your visitors find valuable (number of hits to page and amount of time on page) and what they don't find valuable. Look at what your visitors are looking at, and increase that information. Analyze what they are on for only a short time, or not at all . . . either improve it, or get rid of it.

Monitor your hits on a quarterly basis, and track them against your other marketing efforts. You should see the hits increase as you give your site support through integrated marketing efforts described in the following:

1. *How are we marketing currently?* Gather together all of your current efforts, including newsletters, letters, Yellow Pages listings, and your letterhead. Do you have a consistent message in all of your efforts? Are you using specific colors, typefaces, and papers? If there is a consistency to your marketing efforts, think strongly about using that image in the design of your Web site (you've already built a brand identity—exploit it!).
2. *Who is your competition?* A critical factor in your Web site design is what your competition is doing. You need to go online to see their site. How are they positioning their firm (or service)? Is this what you would like to do, as well? How have they defined their niche in the marketplace?

When you have answered these questions to your satisfaction, you will be ready to start to build your Web site.

WHAT MAKES A GOOD WEB SITE

There are millions of sites on the Internet, but only two kinds that have thus far made an impact with the public. Retail sales sites allow consumers to search virtual stores and make purchasing decisions in the privacy of their homes. The best example of a successful retail site is www.amazon.com, which bills itself as "Earth's Biggest Bookstore." Amazon.com offers visitors author interviews, reviews, and best-seller lists in addition to millions of titles.

The other successful kind of Web site is the "Community of Interest." Communities of interest are focused sites that provide information to specialized segments of the online population. Examples include professional association Web sites like www.aicpa.org and www.aba.com. These sites offer their members information resources, links to related sites, and private forums where they can share and gather valuable information. Communities of Interest are not necessarily looking to make a sale; they are set up to create value for the visitor.

Ernst & Young recently conducted a survey that indicates that the real action on the Internet might not come from online sales but from spurring customers to visit stores or buy from printed catalogs of the Internet retailers. People who researched products online and bought them elsewhere were double those who actually bought online, according to the survey. Visitors to your site will be following the same behavior pattern. They are going to browse through your site, but they will want to meet you before they make their "engagement" decision.

Creating Value

So, your goal should be to create value for the visitors to your site; it will bring them back time and time again. How do you create value? Find out what your visitors want, and then give it to them.

One simple way to do this is to create an email template form on your site called, "Your Needs." Ask for a visitor's name, address, phone number, and email address. Then give them a box to let them tell you what interests them. Make it very clear that you are interested in their issues, and that you will respond in a timely manner. Imagine the possibilities! You will have qualified leads coming in through email. You will be able to do research before you even pick up the telephone and call the lead!

Forbes ASAP offers the following Five Steps for Site Success.

1. Make sure your site has contact information. (Put your telephone number and address on your homepage. Create a guest book with an email link to you.)
2. Don't hide factual information such as which niche services are your firm specialties.
3. Make sure you are easy to find and your site is easy to search.
4. Make it as easy to exit, as it is to enter your site.
5. Create a good table of contents and index.

The following are seven more steps.

1. Tell your visitors to bookmark your site. They'll never have to type your Internet Web address (URL) again and your name will be on their navigation bar.
2. Offer your Top 5 Tax Tips, if that's the niche you want to serve.
3. Let your visitors create content. Allow them to post questions. Answer the "best" questions online.
4. Change is good. Update your site often—once a month—and on a specific day.
5. Put your newsletter online. (Put old issues online, too).
6. Link to fun sites (Dilbert is very popular).
7. Create a form that asks your visitors to tell you what they want to know. Then follow up, follow up, follow up with your qualified lead.

HOW TO GET CLIENTS AND PROSPECTS TO YOUR SITE

Use integrated marketing techniques.

The best way to get clients and prospects to your Web site is to include your web address on your current marketing vehicles. You're going to work hard to put your site together. Tell everybody about the site once it is up. Make sure that you are mentioning your Web site in everything you send out. (Also, make sure that the message you are sending jives with your image on line.) Include all the ways you are currently attracting clients, such as the following:

- Referrals
- Direct mail
- Speeches
- Phone calls
- Meetings
- Associations
- Letterhead (at the very least, you better have your email address on your letterhead)
- Business cards

Use existing techniques to get people to your site. Then use your site to educate and inform on what your firm has to offer.

Register your Internet Web site address.

Make sure you register your URL with search engines. Registering your URL with search engines, such as Yahoo and AltaVista, is a great tool for making your Web site easier to find. Accounting Net (www.accountingnet.com) recommends the following four steps:

1. Use keywords in the <“TITLE”> of your document. Make your title as descriptive and precise as possible, since this is the first element of your site a spider will access. The TITLE tag is what a browser will display in the title bar. For instance, instead of using <“TITLE”> The John Doe Group <“/TITLE”> try <“TITLE”> The John Doe Group: Tax Accounting for Small Businesses <“/TITLE”>.
2. Use <“META”> tags. META tags allow you to list keywords only visible to search engines. Some tips on META tags: List the “keyword” META tag before the “description” META tag; Do not excessively repeat keywords as search engines may penalize you; Place META tags within the top 200 characters of your site.
3. Be persistent, but do not “spam.” It is acceptable to re-register your URL after several weeks if your site seems to have disappeared from search engines’ indexes, but do not “spam” the index. “Spamming” occurs when someone regularly submits a large number of pages hoping to raise their listing. Many search engines have developed devices to catch violators, who are penalized by having their Web sites removed from the search engine.

   Also, do not rename your Web site “AAAAccountants,” “ACCOUNTANTS,” or “!!!Accountants!!!” in an attempt to receive a higher listing. Search engines will recognize this and penalize for this kind of registration. Remember, search engines are indexes first and promotional tools second.
4. Be patient. Many search engines take at least two weeks to index your site after you have submitted your URL. See if your site has been registered by looking for the “check status” sections on search engines’

Web sites. You can check to see whether the search engine has indexed your site or not.

What else can you do?

The following are additional steps you can take.

- Develop giveaways that include your Web site address such as mousepads, letter openers, coffee mugs.
- Include your Web site address on your invoices and fax cover sheets. For example, "Visit us at www.greatcpas.com."
- Develop an email listserv of clients and prospects with weekly or monthly messages about what's new on your site.
- When you renew your Yellow Pages listing add one more line such as, "Visit us at www.greatcpas.com."

Consultant Jay Levinson has the following eight tips for guerrilla marketing on the Intermet.

1. Know how to communicate.
2. Develop comfort with the online world.
3. Learn how to handle email effectively.
4. Aggressively participate in discussion groups and post announcements.
5. Visit your site regularly and respond to email within twenty-four hours.
6. Warm up technology with personalization.
7. Follow up with tenacity.
8. Make sure your offer is strong.

HOW TO GET THEM BACK OVER AND OVER AGAIN

What works on the Internet? New information and knowledge every time you log on. That means that your site has to change on a consistent basis. You'll see it yourself if you "surf the net." The sites that will interest you will contain new nuggets of information that were not there the last time you logged on . . . otherwise, why go on the net? A book or magazine will give the same information every time you open it.

Change is good—and change is good for business. So you must make changes to your Web site on a consistent basis. "Things don't change that fast in my practice," you're thinking.

There are two ways to handle that . . . make things change faster, or put information up more slowly. You don't have to put every piece of information you have on right away. Take an inventory of what you want to put on the Web and then parcel it out over a year. This will allow you to spread your efforts over a number of months and still feed your site with "new" information. In that time, the "Your Needs" form and other feedback will create additional content for your site.

Let your clients know that you are updating your site on a regular basis (once a month on a specific day). No one likes "junk" mail. But everyone appreciates being told about new information that will help him or her become more successful. Your site updates are your opportunity to continue your dialog with your clients on a consistent basis. Schedule your mailings to coincide with and promote the changes to your site. Consider topics like Tax Tips before tax season, or downloadable forms for first-time home buyers, or 5 Accounting Questions Every Small Business Owner Should Know the Answer To.

You can focus on the following.

- *Content.* Make sure your site is up to date. Net visitors want to find out what's new. Tell them.
- *Graphics.* It used to be that being on line was enough. Now you have to have catchy graphics to grab your visitors' attention. Go on line to see what appeals to you.
- *Contests.* Capture names.
- *Surveys.* Ask your visitors what they want to see. And then give it to them! And tell them — through your integrated marketing efforts—that what they asked for is now on your Web site.
- *Tools.* The Web is an open world where most things are free. Give your visitors a way to learn—for FREE—on your site. They will understand that your firm provides value.
- *Links.* Do the work your visitors don't have time to do . . . they'll see your site as a resource and use it as a gateway to the Web.

OTHER WAYS TO MARKET ON THE INTERNET

Your Internet marketing efforts should not be limited to developing a Web site for your firm. The Internet is one of the most potent research tools ever invented. CPAs have already found the value of the Internet in researching tax and other accounting issues. The AICPA and most state association Web sites either contain primary information on accounting issues or have links to the sites that do. These sites speed your search, and may even give you insights and ideas that you never had before. They will connect you with the experts you need to help you help your clients. The following are other reasons to use the Web for research.

- You can use this technology to learn about your prospective clients.
- You can use this technology to help your current clients.
- You can use this technology to create new, billable services.
- You can use this technology to learn about your competition.

Learning About Prospective Clients

Do your research online. See what your prospects are saying about themselves and their competition. Be well informed when you go in to talk business. See what they are doing right . . . and how you can help them do better.

Helping Your Current Clients

Before you talk to your client again, go online. See what the trends are in their market. Talk to them about services you provide that will help them get ahead. Use your AICPA or state association Web site to help you understand tax issues and how they will influence your client. Be proactive.

Creating Billable Services

Using Push and Pull technologies will allow you to create reports on industries, business trends, or specific companies. Pull technologies (provided by Yahoo, Deja News, Excite, Lycos, Search.Com, and many others) will help you search the Web for information that you can compile in reports. Push technology (provided by Point Cast and others) allows you to subscribe to services that "push" specific information to your desktop. You can review this information, purchase specific articles and documents and then provide the compilation to your clients, as a fee service. It keeps your client up-to-date on topics that affect his or her business, and it makes you a valuable part of their business team.

Learning About the Competition

Research the competition online as you would a prospective client. Visit the competitions' Web sites regularly. See what they are offering clients and prospective clients.

CONCLUSION

The World Wide Web is here to stay. In the very near future, your clients and your prospects are going to drop the Yellow Pages and go online to find a CPA. You have to be there to stay competitive.

Don't expect your Web site to replace your other marketing vehicles. A good Web site will help you communicate your value to the niche markets you want to serve. Getting your clients and prospects to your site will take an integrated marketing effort that piggybacks on the sound marketing techniques you should already be using. You'll have visitors coming back to your site time and again if you give them value and new knowledge every time they log on. Good luck!

RESOURCES

cpa wire (www.calcpa.org)
AccountingNet (www.accountingnet.com)
Accounting Today
AICPA
The Practical Accountant
Accounting Technology (www.electronicaccountant.com)
Direct Magazine
Forbes/Forbes ASAP

BIOGRAPHIES

Jean Marie Caragher

President, Capstone Marketing, Inc.
Atlanta, Georgia

Ms. Caragher has over twelve years of accounting marketing experience, including three years as executive director of an accounting firm association, four years as a regional marketing director for a national CPA firm, and four years as a marketing director for a local CPA firm. Currently, she is president of Capstone Marketing, Inc., a marketing consulting firm specializing in strategic planning, niche marketing, partner retreats, client satisfaction programs, and training programs for CPA firms.

Ms. Caragher is a past president of the Association for Accounting Marketing (AAM). She is an Editorial Advisory Board member of *CPA Marketing Report* and a Practice Management Editorial Advisory Board member of *Accounting Today*. She was recognized by *Accounting Today* as one of the "100 Most Influential People in Accounting" in 1994. Ms. Caragher co-chaired AAM's 1995 national conference and wrote a chapter for the AICPA/AAM book, *How to Hire a Marketing Director and Make It Work*.

She earned her B.A. in Communication Studies from the S.U.N.Y. at Oswego, New York, and her M.B.A. in Marketing from Hofstra University, Hempstead, New York.

David H. Douglass, CPA

Director of Marketing, California Society of Certified Public Accountants
Redwood City, California

David Douglass is Director of Marketing for the California Society of CPAs. He came to the Society in 1995 to establish the marketing department. At the Society, he has spearheaded successful efforts to increase membership through promotion of the Society's services and helped design the Society's on-line community—the CPA Business Services Network (www.cpabsn.com).

Prior to the Society, David ran the Direct Marketing Division of the American Bankers Association in Washington, D.C.

As a direct marketing copywriter his clients have included *Consumer Reports*, The Trump Shuttle, The Trump Taj Mahal Casino Resort, Associated Sports Fans, and Media Watch.

David graduated from Wesleyan University in Middletown, Connecticut. He spent six years in Hollywood as a screenwriter.

Carl R. George, CPA

Chief Executive Officer, Clifton Gunderson L.L.C.
Peoria, Illinois

Carl R. George is the Chief Officer of Clifton Gunderson L.L.C., a regional firm with forty-three offices in eleven states. Prior to that, Carl served as Director of Business Operations, coordinating the financial, personnel, and marketing functions of the firm. His responsibilities as CEO include overall firm leadership, strategic planning, overall firm growth and vision for the firm. Under Carl's leadership, the growth of the firm has increased by sixty percent since 1993.

Carl is a graduate of Ball State University, with a B.S. in Accounting and an M.A. in Management. He is past chairman of the Management of an Accounting Practice (MAP) committee of the AICPA, having served for six years. He has also served as a speaker and moderator at Practice Management conferences. Carl serves on the Practice Management Advisory Board of *Accounting Today*. For four consecutive years, he has been honored by *Accounting Today*, as one of the "Top 100 Most Influential People in Accounting," in the United States.

Carl is a member of the Illinois CPA Society and the Indiana Association of CPAs.

Steve Greenberg

Marketing Director, Moss Adams, LLP
Seattle, Washington

Steve Greenberg is Director of Marketing for Moss Adams, LLP. In addition Steve is a Certified Management Consultant with a practice at Moss Adams. His consulting includes market research, international marketing, and customer service.

Steve's prior experience includes banking and direct marketing. He is coauthor of a book to be published by the American Consulting Engineering Council entitled "Citizenship," which will be published in the Spring of 98.

Steve has a bachelors degree in accounting from New York University and an MBA in Marketing.

Patricia M. Luchs

Marketing Director, McGladrey & Pullen, L.L.P.
Chicago, Illinois

Patricia Luchs has over fifteen years of experience in marketing professional services. At McGladrey & Pullen, Ms. Luchs has developed marketing programs for the offices of her firm as well as for member McGladrey network firms. She heads up the firm's national advertising program and also serves on a team to develop a firm-specific sales training program. She has developed proposal training programs, hosted ten marketing workshops for marketing professionals in her own firm and those of McGladrey network firms. She is a frequent speaker on marketing at McGladrey seminars and sales meetings. She is a member of the firm's management team.

Ms. Luchs has also served as president of the Association for Accounting Marketers for two years (1996-1998). She was national conference cochair in 1995. She was awarded the CPA Marketer of the year award in 1996 and has been featured in *Accounting Today* as one of the "100 Most Influential People in Accounting" in both 1996 and 1997. She is an Editorial Advisory Board member of *CPA Marketing Report*.

She earned her B.A. in Business Administration from Mount Mary College, Milwaukee, and her M.B.A. in Marketing from the University of Wisconsin.

Lyne P. Manescalchi

Managing Director of Marketing, Larson, Allen, Weishair & Co., LLP
Minneapolis, Minnesota

Lyne P. Manescalchi is an award-winning marketing and business strategist. As a national speaker, author, and marketing consultant, Manescalchi promotes the growth of professional service firms. She was named the accounting profession's "1997 Marketer of the Year" by the Association for Accounting Marketing and *CPA Marketing Report*. Her nationally acclaimed work and awards include publicity and advertising campaigns, relationship marketing programs, client satisfaction, communications and video.

As Managing Director of Marketing and a member of the management group at Larson, Allen, Weishair & Co., LLP, a Minneapolis-based business services firm, Manescalchi is responsible for national marketing strategy and implementation. Prior to joining Larsen, Allen, Weishair & Co., Manescalchi was executive director of marketing at Boulay, Heutmaker, Zibell, a Minneapolis accounting firm, where she and her management team increased new business by forty-five percent within two years. The *Wall Street Journal* and *Business Marketing* are among the many publications that have featured Manescalchi's work.

Colette Nassutti

Director of Contract Consulting, Accountants Plus
San Jose, California

Colette Nassutti has consulted with CPA firms on matters relating to strategic planning, marketing and sales since 1989. She works with start-up practices as well as local, regional, and national firms. Typical projects include: facilitating strategic planning processes, developing industry, or niche marketing strategies and creating a sales culture.

Ms. Nassutti is the author of *Turning Sales Over to the Pros: Fourteen CPA Firms Share Their Experience,* and editor of *The Marketing Advantage: How to Get and Keep the Clients You Want,* a comprehensive marketing guide for accountants. Both books are published by the PCPS Management of an Accounting Practice Committee of the American Institute of Certified Public Accountants.

She is also a regular contributor to many accounting industry publications, and has spoken before a number of associations of accounting firms, as well as the Association for Accounting Marketing, the California Society of Certified Public Accountants and the American Institute of Certified Public Accountants. She is cofounder of the Association for Accounting Marketing, and served on that organization's first board of directors.

James J. Stapleton

Marketing Leader of Silicon Valley Office, Arthur Andersen, LLP
San Jose, California

Mr. Stapleton is a respected veteran of marketing professional accounting services. He has been a featured speaker for the California Society of Certified Public Accountants, the Associated Accounting Firms International, the National Association of Black Accountants, and various MAP Committees and local marketing committees. At the age of twenty-nine, Mr. Stapleton became the National Director of Practice Development for Grant Thornton, the seventh largest accounting firm in the United States. He was also the Marketing Director for Ireland, San Filippo & Company, one of just four firms to make the *Bowman Accounting Report's* "Best of the Best" Top 25 Accounting Firms in the United States every year the list has been in existence.

Mr. Stapleton is the author of *Developing a CPA Practice: A Comprehensive Guide to Building a Successful Small to Mid-Sized Accounting Firm*. He was the editor and publisher of the *Professional Services Marketing Report*, and has contributed articles to numerous marketing publications.

Mr. Stapleton is currently the marketing leader of the Silicon Valley office of Arthur Andersen (Internet address: james.j.stapleton@ArthurAndersen.com).

Troy Waugh, CPA

President, Waugh & Co.
Brentwood, Tennessee

Troy Waugh brings a wealth of marketing, sales, and professional experience. For over thirty years, he has conducted thousands of marketing and sales seminars.

He holds an MBA from the University of Southern California and a BS in accounting from the University of Tennessee. He is a Certified Public Accountant.

Troy works exclusively with public accounting firms throughout the nation. He functions as a marketing partner for ten mid-sized accounting firms. He began his career with Price Waterhouse.

He is president of Waugh & Co., Inc., which has a mission: to help enhance profits and lifestyles for selected certified public accountants through better market communications.

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